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WEEK ENDING JAN. 20, 1961

**CONTENTS**

	<u>Page</u>
What's ahead	ii
Around The Capitol	70
Committee Roundup	75
Pressures On Congress	96
Political Notes	99
Presidential Report	101
Week In Congress	iv

# Patronage Jobs Available to Kennedy

Page 80

## Task Forces

**Social Security**

**Peace Corps**

**Housing**

**Space**

**Persons Exchange**

Page 71

## In Congress

**Senate  
Committees**

Page 76

**Panama Line**

Page 96

**Regulatory  
Agencies**

Page 78

**Civil Rights Outlook . . . . . Page 67**

**Eisenhower Budget . . . . . Page 61**

BY CONGRESSIONAL QUARTERLY INCORPORATED

*The Authoritative Reference on Congress*

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*Dates are listed as released by sources and are sometimes subject to change.*

### Political Events

- Jan. 28 -- WOMEN'S NATIONAL REPUBLICAN CLUB, 40th anniversary luncheon, Waldorf-Astoria Hotel, New York City. Sen. Barry Goldwater (R Ariz.) and Rep. Walter H. Judd (R Minn.) will speak.
- March 5-7 -- NINTH ANNUAL REPUBLICAN WOMEN'S CONFERENCE, Sheraton Park Hotel, Washington, D.C.

### Other Events

- Jan. 23 -- NATIONAL RURAL LETTER CARRIERS' ASSN., board meeting on legislation, Washington, D.C.
- Jan. 23-24 -- INDUSTRIAL HEATING EQUIPMENT ASSN. INC., winter meeting, Dearborn Inn, Dearborn, Mich.
- Jan. 23-26 -- ANNUAL PLANT MAINTENANCE AND ENGINEERING SHOW, International Amphitheatre, Chicago.
- Jan. 23-26 -- NATIONAL CANNERS ASSN. and CANNING MACHINERY AND SUPPLIES ASSN., 54th annual convention, Conrad Hilton Hotel, Chicago.
- Jan. 25 -- President Kennedy's first news conference to be held at 6 p.m. E.S.T.
- Jan. 25-28 -- AMERICAN NATIONAL CATTLEMEN'S ASSN., 64th annual convention, Hotel Utah, Salt Lake City.
- Jan. 26 -- Secretary of Agriculture-designate Orville L. Freeman to meet with farm organization and Congressional agricultural leaders, Washington, D.C.
- Jan. 29-Feb. 1 -- SUPER MARKET INSTITUTE, mid-year conference, Americana Hotel, Miami Beach.
- Jan. 29-Feb. 2 -- NATIONAL ASSN. OF HOME BUILDERS, annual convention and exposition, Exposition Center, Chicago.
- Jan. 30-Feb. 2 -- NATIONAL CONCRETE MASONRY ASSN., annual convention and concrete industries exposition, Cobo Hall, Detroit.
- Feb. 2-3 -- NATIONAL CANNERS ASSN., statistical quality control and instrumentation workshop for the food industry, Cornell University, Ithaca, N.Y.
- Feb. 2-3 -- PRIVATE TRUCK COUNCIL OF AMERICA INC., annual convention, Sheraton Hotel, Dallas.
- Feb. 5-7 -- MISSISSIPPI VALLEY ASSN., 42nd annual meeting, Chase Hotel, St. Louis, Mo. Rep. Hale Boggs (D La.) will speak.
- Feb. 10-11 -- AIR-CONDITIONING AND REFRIGERATION WHOLESALERS, annual convention, Chicago.
- Feb. 13-14 -- NATIONAL CONFERENCE, Protestants & Other Americans United for Separation of Church and State, First Baptist Church, Portland, Ore.
- Feb. 13-16 -- NATIONAL RURAL ELECTRIC CO-OPERATIVE ASSN., annual meeting, Adolphus Hotel, Dallas. Sen. Milton R. Young (R N.D.) will speak.
- Feb. 21-22 -- SPECIAL INDUSTRIAL RADIO SERVICE ASSN., 9th annual meeting, Bakersfield, Calif.
- Feb. 23-25 -- RESERVE OFFICERS ASSN., national council meeting, Sheraton Park Hotel, Washington, D.C.
- Feb. 27-March 3 -- ASSOCIATED GENERAL CONTRACTORS OF AMERICA INC., 42nd annual convention, Statler Hilton Hotel, Boston.
- March 5-8 -- NATIONAL ASSN. OF FROZEN FOOD PACKERS, 20th annual convention, Dallas.
- March 6 -- GLASS BOTTLE BLOWERS ASSN. OF THE U.S. AND CANADA (AFL-CIO), convention, Statler Hilton Hotel, Los Angeles.
- March 6-11 -- INTER-AMERICAN MANAGEMENT CONFERENCE, Mexico City.
- March 13-16 -- NATIONAL FARMERS UNION, annual convention, Willard Hotel, Washington, D.C.
- March 13-18 -- HOTEL & RESTAURANT EMPLOYEES AND BARTENDERS INTERNATIONAL UNION (AFL-CIO), convention, Sheraton Hotel, Philadelphia.
- March 22-24 -- AMERICAN NURSES' ASSN., conference on legislation, Sheraton Park Hotel, Washington, D.C.
- March 27-29 -- CONFERENCE ON AFRICAN RESOURCES, New York University, Africa Fair Inc. and Committee for International Economic Growth, New York University, New York City.
- April 6-8 -- INSTITUTIONAL FOOD DISTRIBUTORS OF AMERICA, annual convention, Hotel Americana, Bal Harbour, Fla.
- April 9-12 -- U.S. WHOLESALE GROCERS ASSN., annual convention, Hotel Americana, Bal Harbour, Fla.
- April 12-14 -- BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEERS, West Coast union meeting, Las Vegas.
- April 22-26 -- NATIONAL ALCOHOLIC BEVERAGE CONTROL ASSN., mid-year meeting, Sheraton Dallas Hotel, Dallas.
- May 1 -- BOILER MAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS & HELPERS (AFL-CIO), convention, Lafayette Hotel, Long Beach, Calif.

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## U.S. Budget:

# PRESIDENT PROJECTS BUDGET SURPLUS FOR FISCAL 1962

Four days before leaving office, President Eisenhower Jan. 16 submitted his eighth and final budget to Congress, calling for expenditures of \$80.9 billion and receipts of \$82.3 billion in fiscal 1962, the year beginning July 1, 1961. For fiscal 1961, he estimated expenditures of \$78.9 billion and receipts of \$79 billion, leaving a nominal surplus of \$79 million. (See résumé below.)

As in prior years, the President's final budget reflected an optimistic view of the economy's performance and of Congressional responsiveness to his legislative proposals. Thus, a fiscal 1961 surplus of \$79 million was predicated on the assumption that Congress, after twice refusing to raise postal rates, would now agree to do so by April 1, in order to provide additional postal receipts of \$160 million before June 30. Similar assumptions had led the President, a year earlier, to project a fiscal 1961 surplus of \$4.2 billion. (1960 Almanac p. 622)

Casting even more doubt on the balance sheet drawn up by the departing President for fiscal 1962 was the fact that his successor, John F. Kennedy, was expected to propose extensive revisions following his inauguration Jan. 20. Given the incoming Administration's view that (1) the economy was in recession and (2) that federal spending should be increased in several areas, there was little evidence to support the hope that either fiscal 1961 or 1962 would yield a surplus. On the contrary, the more probable changes in projected income and outgo suggested deficits in both years.

## Expenditures

Projected expenditures in fiscal 1962 amounted to \$1.9 billion over estimated outlays in fiscal 1961 and \$4.3 billion more than was actually spent in fiscal 1960. (These figures are net of certain interfund transactions, amounting to about \$700 million each year, which were deducted from receipts as well as expenditures in the final Eisenhower budget.) Behind the net increase of \$1.9 billion in 1962, however, lay substantially larger increases in some areas, offset by decreases in others.

This may be seen in an examination of estimated spending within the budget's 10 major functional categories and 56 subcategories. (See table, p. 63). In 40 of these subcategories, spending was expected to rise in fiscal 1962 by \$3.5 billion. More than \$2.6 billion of this was attributed to increases in eight subcategories. Offsetting these increases were decreases totaling \$1.6 billion in 16 subcategories of which two -- postal service and interest -- accounted for more than \$1.1 billion. Following are the more significant spending shifts projected in the fiscal 1962 budget.

- **Major national security** -- An across-the-board rise of \$1.4 billion in Defense Department outlays, plus an increase of \$50 million for military assistance.

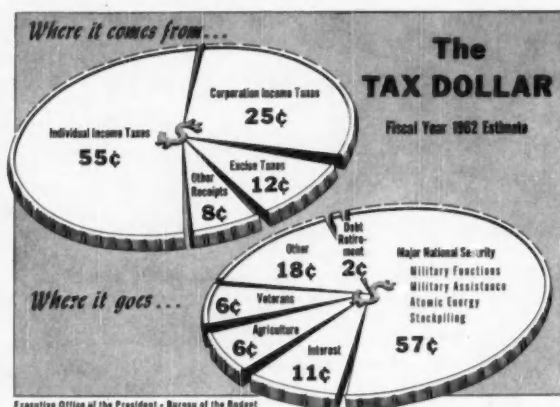
- **International affairs** -- A total increase of \$402 million, including an increase of \$150 million (to \$425 million) in Development Loan Fund spending and another \$70 million for "mutual security contingencies."

## RÉSUMÉ OF THE BUDGET

[Fiscal years. In billions]

	1956 actual	1957 actual	1958 actual	1959 actual	1960 actual	1961 estimate <sup>1</sup>	1962 estimate <sup>1</sup>
New obligatory authority.....	\$63.2	\$70.2	\$76.3	\$81.4	\$79.6	\$82.1	\$80.9
Budget receipts.....	67.8	70.6	68.5	67.9	77.8	79.0	82.3
Budget expenditures.....	66.2	69.0	71.4	80.3	76.5	78.9	80.9
Budget surplus (+) or deficit (-).....	+1.6	+1.6	-2.8	-12.4	+1.2	+1	+1.5
Receipts from the public.....	77.1	82.1	81.9	81.7	95.1	99.0	103.1
Payments to the public.....	72.6	80.0	83.4	94.8	94.3	97.9	101.8
Excess of receipts (+) or payments (-).....	+4.5	+2.1	-1.5	-13.1	+8	+1.1	+1.3
Public debt at close of year.....	272.8	270.5	276.3	284.7	286.3	284.9	283.4
Balance of appropriations carried forward at end of year.....	46.0	43.9	40.1	38.8	38.8	40.4	39.4

<sup>1</sup> Includes amounts for proposed legislation.



• **Veterans benefits** -- Increases of \$193 million for pensions and \$46 million for hospital and medical care, partially offset by decreases totaling \$159 million for readjustment benefits.

• **Labor and welfare** -- Net increases of \$276 million, including \$153 million for public assistance and \$123 million for public health.

\* **Agriculture** -- A net increase of \$165 million, topped by a \$132 million rise in the cost of stabilizing farm prices and income.

• **Natural Resources** -- Increases in most areas, totaling \$187 million, including \$65 million for Bureau of Reclamation, \$48 million for Tennessee Valley Authority, and \$48 million for forests.

• **Commerce & housing** -- A net decrease of \$413 million, compounded of increases totaling \$491 million, including \$195 million for space exploration, \$84 million for aviation, and \$49 million for urban renewal, offset by decreases totaling \$904 million, of which the chief item -- \$723 million -- represented proposed increases in postal rates to wipe out the postal deficit.

• **General government** -- Increases all along the line, totaling \$89 million net.

• **Interest** -- A \$400 million drop from \$9 billion to \$8.6 billion, reflecting the fact that "market rates of interest have been decreasing."

• **Contingencies** -- The usual \$200 million allowance for contingencies in the January budget was reduced to \$100 million for fiscal 1962, or \$75 million more than the \$25 million set aside for the balance of 1961.

## Revenues

An increase in budgetary receipts from all major sources was forecast for fiscal 1962, as follows:

(Fiscal years. In billions)

	1960	1961 est.	1962 est.
Individual income taxes	\$40.7	\$43.3	\$45.5
Corporation income taxes	21.5	20.4	20.9
Excise taxes	9.1	9.3	9.7
All other receipts	7.1	6.7	6.9
	\$78.5	\$79.7	\$83.0
Deduct interfund accounts	.7	.7	.7
<b>TOTAL</b>	<b>\$77.8</b>	<b>\$79.0</b>	<b>\$82.3</b>

Estimated receipts were based on the Treasury's assumption that personal income would rise from \$404 billion in calendar 1960 to \$415 billion in 1961, while corporate profits would increase from \$45 billion in calendar 1960 to \$46 billion in 1961. (In January of 1960, the Treasury had assumed that corporate profits would total \$51 billion in calendar 1960 and yield \$23.5 billion in tax receipts in fiscal 1961.)

As in earlier budgets, estimates of fiscal 1962 receipts as well as expenditures assumed that Congress would approve a series of revenue proposals, as follows:

• **Postpone**, for the eighth year running, a reduction of 5 percentage points in the 52-percent corporation income tax, as well as reductions in certain excise taxes and repeal of the 10 percent tax on local telephone service, all scheduled to take effect June 30, 1961 in the absence of legislative action. Unless all were extended, the President said, the Treasury would lose \$2.6 billion in fiscal 1962 and \$3.7 billion on a full annual basis.

• **Raise the federal excise tax on gasoline** (due to drop on June 30 from 4 cents to 3 cents per gallon) to 4.5 cents, to remain in effect until 1972, and repeal the diversion of certain excise receipts from the general fund to the Highway Trust Fund, scheduled to begin July 1, 1961. In the absence of such action, the President said, budget receipts in fiscal 1962 would be reduced by \$810 million.

• **Raise the excise tax on aviation gasoline** from 2 cents to 4.5 cents per gallon, levy the same tax on jet fuels, and credit the proceeds to the general fund instead of the Highway Trust Fund. Failure to enact these proposals, first made in 1959, would reduce estimated receipts by \$100 million.

• **Raise postal rates**, effective April 1, 1961, so as to yield an additional \$160 million in postal revenue in fiscal 1961 and another \$843 million in fiscal 1962. That amount of additional income would reduce the budget cost of postal operations in fiscal 1962 to \$63 million (the estimated public service cost), since only the Post Office deficit appears in the budget. Congress ignored similar requests in 1959 and 1960.

Assuming that the President's projection of income and outgo in fiscal 1962 were to prove accurate in all other respects, the failure of Congress to approve any of the foregoing revenue proposals would reduce estimated receipts from \$82.3 billion to \$78.8 billion and raise estimated spending from \$80.9 billion to \$81.7 billion, leaving a deficit of \$2.9 billion. Most likely request to be accepted, in the light of past experience and the exigencies of public finance, was another postponement in the scheduled reduction of corporation income and excise tax rates.

The President also urged Congress to enact two other tax measures previously proposed and ignored, but made no estimate of their revenue consequences. He again called for a new formula for taxing cooperatives to insure "that taxes are paid on the income of these businesses either by the cooperative or by its members," and for taxation of gains from the sale of depreciable property as ordinary income rather than capital gains -- an "essential first step," he said, to the enactment of "more liberal and flexible" depreciation allowances. In addition, he asked Congress to explore inequities in the taxation of private lending institutions and fire and casualty insurance companies.



# FEDERAL BUDGET: APPROPRIATIONS AND EXPENDITURES

(in millions of dollars)

	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1960	1961 est.	1962 est.	1960	1961 est.	1962 est.
<b>MAJOR NATIONAL SECURITY</b>						
Military defense	\$40,628	\$41,308	\$41,840	\$41,215	\$41,500	\$42,910
Development of atomic energy	2,802	2,781	2,598	2,623	2,660	2,680
Stockpiling, defense production		23	40	180	70	52
Military assistance	1,331	1,800	1,800	1,609	1,700	1,750
<b>TOTAL</b>	<b>\$44,761</b>	<b>\$45,912</b>	<b>\$46,278</b>	<b>\$45,627</b>	<b>\$45,930</b>	<b>\$47,392</b>
<b>INTERNATIONAL AFFAIRS &amp; FINANCE</b>						
Conduct of foreign affairs	\$ 201	\$ 213	\$ 285	\$ 219	\$ 214	\$ 280
Economic & financial assistance	2,280	2,821	2,628	1,477	1,934	2,243
Foreign information & exchange	192	173	189	137	162	188
<b>TOTAL</b>	<b>\$ 2,672</b>	<b>\$ 3,207</b>	<b>\$ 3,102</b>	<b>\$ 1,833</b>	<b>\$ 2,310</b>	<b>\$ 2,712</b>
<b>VETERANS' SERVICES &amp; BENEFITS</b>						
Education & training	\$ 453	\$ 213	\$ 72	\$ 383	\$ 233	\$ 128
Other readjustment benefits	132	131	9	132	131	77
Compensation and pensions	3,400	3,800	3,568	3,368	3,605	3,798
Insurance and indemnities	54	49	40	33	31	27
Hospitals & medical care	948	1,066	1,100	961	1,045	1,091
Other services & administration	178	178	174	179	182	174
<b>TOTAL</b>	<b>\$ 5,169</b>	<b>\$ 5,438</b>	<b>\$ 4,963</b>	<b>\$ 5,060</b>	<b>\$ 5,227</b>	<b>\$ 5,296</b>
<b>LABOR &amp; WELFARE</b>						
Labor & manpower	\$ 420	\$ 377	\$ 114	\$ 411	\$ 147	\$ 72
Public assistance	2,040	2,164	2,316	2,061	2,162	2,315
Promotion of public health	913	1,127	1,128	818	971	1,094
Promotion of education	605	651	617	569	627	640
Promotion of science, research, etc.	242	234	272	211	203	251
Correctional & penal institutions	51	58	52	46	49	52
Other welfare services, administration	302	327	526	302	323	334
<b>TOTAL</b>	<b>\$ 4,574</b>	<b>\$ 4,937</b>	<b>\$ 5,025</b>	<b>\$ 4,419</b>	<b>\$ 4,483</b>	<b>\$ 4,759</b>
<b>AGRICULTURE, AGRICULTURAL RESOURCES</b>						
Stabilization of farm prices & income	\$ 3,573	\$ 2,964	\$ 3,017	\$ 3,278	\$ 3,264	\$ 3,396
Financing farm ownership & operation	265	304	227	246	268	235
Financing rural electrification, etc.	275	320	255	330	328	340
Conservation & development	710	750	753	692	741	773
Research & other services	327	359	352	293	336	357
<b>TOTAL</b>	<b>\$ 5,151</b>	<b>\$ 4,696</b>	<b>\$ 4,605</b>	<b>\$ 4,838</b>	<b>\$ 4,936</b>	<b>\$ 5,101</b>
<b>NATURAL RESOURCES</b>						
Conservation of land & water resources	\$ 2,041	\$ 1,408	\$ 1,430	\$ 1,235	\$ 1,402	\$ 1,516
Conservation of forest resources	225	340	248	220	263	311
Conservation of mineral resources	60	75	82	65	66	67
Conservation of fish & wildlife	67	75	85	68	75	84
Recreational uses	86	95	105	74	87	101
Resource surveys & administration	52	56	61	51	58	60
<b>TOTAL</b>	<b>\$ 2,533</b>	<b>\$ 2,049</b>	<b>\$ 2,012</b>	<b>\$ 1,713</b>	<b>\$ 1,951</b>	<b>\$ 2,138</b>
<b>COMMERCE &amp; HOUSING</b>						
Promotion of water transportation	\$ 561	\$ 584	\$ 588	\$ 508	\$ 557	\$ 621
Provision of highways	36	36		38	39	
Promotion of aviation	636	780	770	568	727	811
Space exploration	524	965	1,110	401	770	965
Postal service	646	728	63	525	786	63
Community development & facilities	360	360	314	130	184	239
Public housing programs	142	166	183	134	153	170
Other aids to housing	563	744	600	279	313	178
Other aids to business	205	109	178	95	124	162
Regulation of commerce & finance	59	69	73	58	67	74
Civil & defense mobilization	53	61	104	46	50	81
Disaster insurance, loans & relief		10	9		14	7
<b>TOTAL</b>	<b>\$ 3,784</b>	<b>\$ 4,612</b>	<b>\$ 3,993</b>	<b>\$ 2,782</b>	<b>\$ 3,784</b>	<b>\$ 3,371</b>
<b>GENERAL GOVERNMENT</b>	<b>\$ 1,664</b>	<b>\$ 2,073</b>	<b>\$ 2,096</b>	<b>\$ 1,695</b>	<b>\$ 1,982</b>	<b>\$ 2,071</b>
INTEREST	9,266	8,993	8,593	9,266	8,993	8,593
ALLOWANCE FOR CONTINGENCIES		150	200		25	100
<b>GRAND TOTAL</b>	<b>\$79,574</b>	<b>\$82,068</b>	<b>\$80,867</b>	<b>\$77,233</b>	<b>\$79,621</b>	<b>\$81,532</b>
<b>DEDUCT INTERFUND TRANSACTIONS</b>				694	676	667
<b>GRAND TOTAL - ADJUSTED</b>	<b>\$79,574</b>	<b>\$82,068</b>	<b>\$80,867</b>	<b>\$76,539</b>	<b>\$78,945</b>	<b>\$80,865</b>

## Budget Trends

President Eisenhower, who expressed the hope on entering office in 1953 that federal expenditures could be cut to \$60 billion, came closest to that goal in fiscal 1955 when budget outlays totaled \$64.4 billion. Thereafter expenditures rose steadily, except for a large bulge in fiscal 1959 traceable to anti-recession spending and a one-shot payment of \$1.4 billion to the International Monetary Fund. (See chart)

Comparison of the 1955 budget with that proposed for fiscal 1962 shows an increase in expenditures of \$16.5 billion over the eight-year span, amounting to a jump of 25.6 percent. Even this understates the actual increase because of changes in accounting, of which the most significant example was the shift (in fiscal 1957) of highway expenditures from the budget (where they amounted to \$647 million in fiscal 1955) to trust fund account (where they were estimated at \$3.1 billion in fiscal 1962).

Examined in terms of functions, however, the two budgets show much more rapid increases in spending for some programs than for others. Whereas outlays for "major national security" (principally military defense) climbed by \$6.8 billion -- a larger absolute increase than for any other major function -- that rise amounted to only 14.2 percent, the smallest proportional increase for any function. By contrast, the \$9.7 billion rise in total non-defense spending represented an increase of 40.9 percent.

Proportionately, spending for "commerce, housing, and space technology" increased most rapidly, by 124 percent. Two programs alone accounted for most of the dollar increase: aviation, from \$179 million to \$811 million, and space, from \$74 million to \$965 million. Other subcategories of the budget showing substantial increases between 1955 and 1962 were public health, from \$275 million to \$1.1 billion; education, from \$325 million to \$640 million; veterans compensation and pensions, from \$2.7 billion to \$3.8 billion; interest on the public debt, from \$6.4 billion to \$8.5 billion.

The table shows, for the major budget functions, fiscal 1955 and 1962 expenditures in billions and the percentage of increase:

	1955	1962	Increase
Major national security	\$40.6	\$47.4	14.2%
International affairs	2.2	2.7	24.4
Veterans services, benefits	4.5	5.3	18.8
Labor and welfare	2.6	4.8	84.4
Agriculture	4.4	5.1	16.2
Natural resources	1.2	2.1	77.7
Commerce, housing & space	1.5	3.4	124.1
General government	1.2	2.1	72.7
Interest	6.4	8.6	33.5
<b>TOTAL</b>	<b>\$64.4</b>	<b>\$80.9</b>	<b>25.6%</b>

While estimating a further increase in budget expenditures in fiscal 1962, President Eisenhower projected a decrease in "new obligational authority" -- chiefly appropriations -- to be sought from Congress, in what was clearly an attempt to discourage even higher expenditures in later years. New spending authority was estimated, like actual expenditures, at \$80.9 billion, down from an estimated \$82.1 billion in fiscal 1961. But the latter figure, when originally proposed a year

earlier, was \$79.4 billion. Most of the \$2.7 billion increase had been the work of Congress, in raising federal pay scales and defense appropriations while refusing to raise postal rates. It seemed most unlikely that new spending authority would actually decline in fiscal 1962.

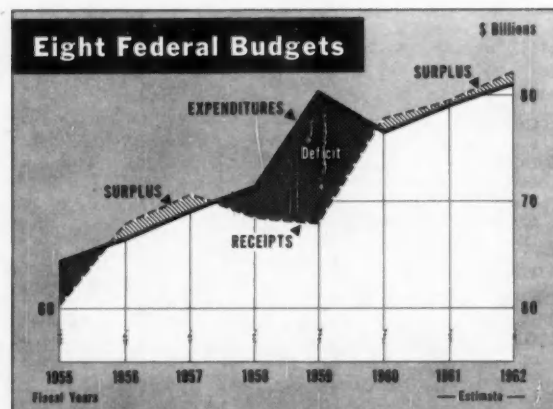
## Defense Spending

The President proposed an increase in military expenditures in fiscal 1962 (exclusive of military aid) of \$1.4 billion, to \$42.9 billion. He also requested a smaller increase in new obligational authority, from \$41.3 billion to \$41.8 billion. Almost all of the \$1.1 billion excess of actual spending over new spending authority was attributed to military procurement. Among the services, only the Army was given an increase in new spending authority, amounting to \$536 million. The table shows new obligational authority by service and function, in millions of dollars:

	1960	1961	1962
Department of the Army	\$ 9,689	\$ 9,870	\$10,406
Department of the Navy	11,270	12,385	12,237
Department of the Air Force	18,496	17,865	17,856
Office of the Secretary	1,173	1,189	1,341
<b>TOTAL</b>	<b>\$40,628</b>	<b>\$41,308</b>	<b>\$41,840</b>
Military Personnel	\$11,596	\$11,856	\$12,266
Operation & Maintenance	10,317	10,714	10,842
Procurement	13,105	13,453	13,378
Research & Development	4,216	4,261	4,349
Military Construction	1,364	995	985
<b>TOTAL</b>	<b>\$40,628</b>	<b>\$41,308</b>	<b>\$41,840</b>

These funds, the President said, would provide active military forces as follows: an Army of 870,000 men, with 14 divisions and 5,736 aircraft, about one-half of them helicopters; a Navy of 625,000 men with 817 ships and 8,401 aircraft; a Marine Corps of 175,000 men; and an Air Force of 823,000 men with 16,080 aircraft and 84 combat wings.

In a separate document, the defense Department stated that of \$1.8 billion added by Congress to the President's original estimates for fiscal 1961, all but \$220 million had been applied to "add-on" programs. The balance would be used to finance fiscal 1962 requirements, the document indicated.



Executive Office of the President • Bureau of the Budget

## HIGHLIGHTS OF EISENHOWER LEGISLATIVE PROPOSALS

The distinguishing mark of President Eisenhower's final legislative recommendations, as set forth in his proposed budget for fiscal 1962 and his Economic Report, was their familiarity. Most of them had been submitted to Congress, in substantially similar form, on one or more previous occasions, only to be rejected or ignored. Their ultimate fate, given the change from a Republican to a Democratic Administration, promised to be no better.

In one respect, however, the President's last testament broached new ground, by suggesting the creation of "an official ranking higher than Cabinet members, possibly with the title of First Secretary of the Government," to assist the President in the conduct of foreign affairs. This proposal was explored at length in 1960 by the Senate National Policy Machinery Subcommittee and effectively rejected as having "no place" in the American system. (1960 Almanac, p. 721)

Highlights of the President's Economic Report appear on the next page. His principal legislative requests (other than revenue proposals discussed on page 62) are summarized below.

- **Fiscal Affairs** -- The President again asked Congress to remove the 4.25 percent interest ceiling on Treasury bonds -- a "serious obstacle" to efficient debt management, he said, that "reduces considerably the possible use of the advance refunding technique, which offers the greatest promise for lengthening the average maturity of the debt." He also called for another temporary increase in the debt limit, scheduled to revert to \$285 billion on June 30.

- **Reorganization** -- In addition to the First Secretary proposal, the President asked Congress to grant the Chief Executive permanent authority to reorganize the Executive Branch. He also proposed establishment of a Cabinet-level Department of Transportation, and an Office of Executive Management under the President.

- **Armed Services** -- For the third year, the President proposed that the 400,000-man Army National Guard and the 300,000-man Army Reserve be reduced by 10 percent as a first step to re-evaluating "the whole concept of the roles and missions of the reserve forces." He also asked Congress to repeal a 1959 provision requiring prior authorization of appropriations for missiles, planes, and ships. (The new procedure, effective in 1961, required a double Congressional review of about \$12 billion in the defense budget.) Finally, the President revived his 1958 request that defense funds be appropriated to the Secretary rather than to the services.

- **Foreign Aid** -- The President asked for \$4 billion for the Mutual Security Program in fiscal 1962, including \$1.8 billion for military aid and \$700 million for the Development Loan Fund. In addition, he asked for 1961 supplements of \$150 million for DLF and \$500 million for the Inter-American Social and Economic Cooperation Program authorized in 1960. He asked Congress to study "means by which funds can be provided through the normal budgetary process to meet the needs of more than one specific fiscal year," but made no recommendations.

- **Space Programs** -- The President asked for a permanent, rather than annual, authorization for the civilian space program and almost \$1.2 billion in new funds. Forecasting speedy development of a communications satellite system, he said private industry "should be

aggressively encouraged to assume the costs of the establishment and operation" of a commercial system.

- **Housing** -- Existing housing programs should be authorized permanently, the President said, with annual funds "provided through the normal appropriation process." He again asked Congress to raise the local share of urban renewal costs from one-third to one-half, and proposed \$300 million for the program in fiscal 1962. Other repeats: remove or increase the interest-rate ceilings on FHA-insured and veterans' loans; cease further appropriations for direct loans to veterans; revamp the college housing loan program.

- **Business** -- The President again asked for a "sound" area development program, after having vetoed two Democratic bills, raising his previous money request of \$53 million to \$83 million. Three antitrust requests were also repeated: a pre-merger notification law, authority to issue civil investigative demands in preparing civil cases, and authority to seek preliminary injunctions against proposed mergers.

- **Agriculture** -- Estimating wheat stocks on July 1, 1961 at 1.5 billion bushels, the President again called for "realistic price-support legislation for wheat," and a concurrent expansion of the conservation reserve to 60 million acres. He asked also for an additional \$1.1 billion to finance surplus sales abroad under PL 480, for extension of the Sugar Act (expiring March 31, 1961) and the National Wool Act (expiring March 31, 1962), and for a new, privately financed institution to meet capital needs of Rural Electrification Administration borrowers.

- **Natural Resources** -- The President proposed 37 "new starts" on water resources projects, and renewed his bid for authorization of the Fryingpan-Arkansas project. He urged prompt ratification of a treaty with Canada for developing the Columbia River basin, to be followed by construction of Libby Dam in Montana. For the future, he said, the President should be authorized to set up "water resources planning commissions as needed in the various river basins or regions." He again asked for authority to acquire three seashore areas for parks.

- **Education** -- The President repeated without change his proposal to aid school construction through a debt service program costing \$2 billion over 30 years. He again called on Congress to restrict programs, enacted in 1950, providing grants to school districts burdened by federal activities.

- **Labor** -- Extension of unemployment compensation coverage to 3 million additional workers, together with expanded coverage and a "moderate adjustment" of the minimum wage, were again proposed.

- **Medical Care** -- The limited program of grants for medical care for the aged that was enacted in 1960 should be broadened, the President said, but left on a voluntary basis. For the research and training programs of the National Institutes of Health, he proposed new appropriations of \$540 million.

- **Civil Rights** -- The President repeated three requests: a two-year extension of the life of the Civil Rights Commission, establishment of a Commission on Equal Job Opportunity, and authority to give technical aid to school districts "carrying out public school desegregation programs." He also urged "restoration of home rule" for the District of Columbia.

## ECONOMIC REPORT TAKES OPTIMISTIC VIEW

President Eisenhower's final Economic Report, prepared by his Council of Economic Advisers and transmitted to Congress Jan. 18, pictured the state of the economy in terms of optimism and confidence that contrasted sharply with the views given to President-elect Kennedy Jan. 5 by the Samuelson task force. (Weekly Report p. 44)

From its opening statement that "employment, production, and income in the United States attained in 1960 levels well above those of 1959," the President's report avoided any mention of the word "recession" to describe current levels of economic activity. Nor was there anything to indicate concurrence with Samuelson that "1959 and 1960 have been grievously disappointing years" for economic expansion.

Reviewing the various indices, the report concluded that "the rapid restocking of inventories in the early part of 1960 and the subsequent reversal of this movement were the principal factors shaping the course of the economy during the year." Excluding inventory changes, the report said, final demand for goods and services "has continued to move upward," making for steadiness in aggregate demand that "reflects the underlying strength of the current situation and is a distinctly favorable factor in the economic outlook at this time."

Looking to the months ahead, the report said that further inventory reduction "will probably occur during the early part of 1961; but if consumer expenditures are well maintained in the coming months, as they typically have been during recent periods of business hesitance, the rate at which this inventory reduction is carried forward should soon diminish." Government spending -- federal, state, and local -- was due to rise in 1961; "an increase in general economic activity should not, accordingly, be long delayed."

Summing up, the report defended the economic record of the Eisenhower Administration in these pointed words: "The basis for advance has been laid in recent years in the enlargement and improvement of our productive capacity and in policies that have brought the forces of inflation under control. Some temporary acceleration of growth might have been achieved if expectations of price increases had been allowed to persist and to become firmly rooted. But the unsustainable nature of such growth would now be confronting the economy with the need for far-reaching and painful correction. Because action to maintain stability and balance and to consolidate gains was taken in good time, the economy can now look forward, provided public and private policies are favorable, to a period of sound growth from a firm base."

Given its optimistic appraisal of the immediate outlook, the President's report did not acknowledge the need for any special anti-recession measures. Its principal short-term recommendation was that Congress balance the budget. By contrast, the Samuelson report to President-elect Kennedy proposed additional federal spending of \$3 billion to \$5 billion to prime the pump -- a step certain to produce a deficit.

Indicative of the Eisenhower Administration's generally cautious approach to the solution of economic problems was the President's summary of six "lessons" learned from experience gained in administering the Employment Act of 1946, the legislative warrant for the annual Economic Report. These were as follows:

1. "Although great strides have been made toward understanding and moderating the cyclical behavior of our economy, difficult problems of diagnosis and prescription remain. Experts disagree on the meaning of unfolding events, and action to counter adverse developments cannot be finely predetermined, either in kind or degree. Moreover, the repercussions of countermeasures cannot be accurately foretold." (The Samuelson report also acknowledged the imperfections of economic forecasting.)

2. "A tendency for prices to rise has persisted" since World War II. "To arrest this tendency...and to attain our national economic goals in an atmosphere of reasonably stable prices must continue to be a major objective of private and public policy." (Samuelson also expressed concern over the fact that "a mixed economy like ours may tend to generate an upward creep of prices before it arrives at high employment," but he added that "running a deliberately slack economy in order to put off the day when such doubts about inflation can be tested is not a policy open to a responsible democratic government.")

3. "Competing objectives must be taken into account in economic policy, and action in pursuit of any one goal must be taken with a recognition that to press it too far or too rapidly may prejudice other values that are in reach or in hand. Considerations of long-run benefit must be weighed against short-run advantage. The rate of economic growth cannot be properly evaluated without regard to its composition and balance or its sustainability. On the contrary, the unwholesome accompaniments of a forced, too-rapid expansion may impede further growth and even induce setbacks." (Using the same argument against the Administration's emphasis on the dangers of inflation, Samuelson said "economic statesmanship does involve difficult compromises, but not capitulation to any one of the pluralistic goals of modern society.")

4. "Government action is not the principal, let alone the sole, determinant, of the rate of economic growth.... The Federal Government promotes economic growth mainly by the contributions that it makes to conditions favorable to the exercise of private, individual initiative and effort, and by facilitating and encouraging the execution of their respective responsibilities by private individuals and groups and by state and local governments." (While making no assertions to the contrary, Samuelson's report clearly envisioned a more aggressive federal role.)

5. Flexibility is essential, since "the policy appropriate in one situation is not necessarily suitable in a later one, even when the circumstances are alike in many respects." (Samuelson also said that "flexibility in decision-making deserves emphasis.")

6. "Fulfillment of the federal role may often be aided by positive statements of principles, needed policies, and goals.... Psychological factors should not be overlooked in the emphasis on automatic and deliberate stabilizing and stimulating policies and actions." Thus did the President defend his continued expression of confidence, in the face of Samuelson's conclusion that "he misreads the role of confidence in economic life who thinks that denying the obvious will cure the ailments of the modern economy."



## EXECUTIVE ACTION MAY DOMINATE 1961 CIVIL RIGHTS MOVES

As the 87th Congress and a new Administration began, civil rights groups once more drew up their list of proposals for legislative and executive action.

Armed with the strong civil rights platforms of both political parties and the campaign commitments of President John F. Kennedy, they had reason for optimism. But there was no basis for assuming that Southerners in Congress -- who still have the power over the outcome of many parts of Mr. Kennedy's program -- would take kindly to a drive for more civil rights legislation or to executive action bypassing Congress.

How the Kennedy Administration will solve the touchy problem of striking a balance between these two groups remains to be seen. A report on a Kennedy-sponsored civil rights conference held in New York during Oct. 1960 had not been made public early in January and Kennedy aides had not yet decided on a set of recommendations to the President. This Fact Sheet summarizes the suggestions for civil rights action proposed, and which Mr. Kennedy and his aides are considering.

### Background

Behind the liberal groups' drive for further civil rights action lies their disappointment with the nature and results of the Civil Rights Acts of 1957 and 1960. At the core of both bills were measures to guarantee and enforce the right to vote by federal action against proven discrimination. For implementation, Congress chose to place responsibility in the Judicial Branch, with its formal procedures and opportunities with counter-arguments, rather than in more direct administrative remedies.

The 1957 Act gave the Attorney General the authority to seek court injunctions against obstruction or deprivation of voting rights. The bill also created an executive Commission on Civil Rights and elevated the civil rights section in the Department of Justice to a Civil Rights Division.

The 1960 Act amended the 1957 law by requiring that voting records be preserved and authorizing judges to appoint referees to help Negroes register and vote in an area where the Government won a voting rights suit. The bill also provided criminal penalties for bombings and bomb threats, and for mob action designed to obstruct court orders -- neither of these limited to racial incidents. It authorized the Government to arrange for the schooling of children of members of the armed services when the schools they regularly attend are closed in an integration dispute.

Direct federal action in desegregating schools, guaranteeing equality of job opportunity or ending discrimination in housing was avoided. Most of the recommendations made by the Civil Rights Commission in its Sept. 8, 1959 report have not been implemented.

Commitments made in the platforms and during the campaign covered a wide range of possibilities for legislative and executive action in these fields. Exercise of heretofore unused executive powers in these areas would

be less difficult than seeking legislative sanction for action, but in contemplating their use the Kennedy Administration is faced with the neat problem of doing by executive action what Congress has specifically rejected in the past, and risking retaliation against some items in the Kennedy legislative program.

Kennedy appointed Sen. Joseph S. Clark (D Pa.) and Rep. Emanuel Celler (D N.Y.) to draw up a civil rights bill for the 87th Congress to consider. They can be expected to introduce a bill or group of bills embodying legislative proposals in the Democratic platform. Republicans also will introduce and sponsor civil rights bills. However, the indications are that, during the 1961 session at least, other parts of Mr. Kennedy's legislative program will take precedence and the new moves in civil rights will be executive, emanating from the White House.

Following are proposals for civil rights action in each major field:

### Housing

Discrimination in housing is a nationwide problem. Several times during the Presidential campaign, Mr. Kennedy said the next President must issue "the long-delayed executive order putting an end to racial discrimination in federally assisted housing." He said the President could do this "by a stroke of his pen," as "the Civil Rights Commission unanimously proposed."

However, the issuance of such an order would not be quite so simple as Mr. Kennedy pictured.

First, there is the problem of its scope. The recommendation of the Civil Rights Commission in 1959 was that the order state the objective of equal opportunity in housing and direct federal agencies involved to work towards it. The Commission also recommended that the Administrator of the Housing and Home Finance Agency give "high priority" to the problem of gearing the policies and the operations of his constituent housing agencies to the attainment of equal opportunity in housing.

### References

Congressional Quarterly's special report, Civil Rights Legislation, supplement to the May 6, 1960 Weekly Report, which reviews passage of the Civil Rights Acts of 1957 and 1960; also included are a study of how Senators voted on civil rights in 1960 and a study of Negro registration in the South.

1957 Almanac p. 553 and 1960 Almanac p. 185 (this includes the latest study of the status of school desegregation).

1959 Civil Rights Commission report and extension of the Commission, 1959 Almanac p. 293.

Discrimination in housing, 1960 Weekly Report p. 1058.

Kennedy's campaign promises, 1961 Weekly Report p. 42.

Some civil rights advocates consider the Commission's proposal too mild. Their suggestions extend to a policy whereby each contractor or builder receiving a federal subsidy, loan or guarantee under any Government housing program sign a written guarantee that the finished project will be open for occupancy to all, without discrimination. The sanctions suggested to enforce compliance: delinquents be denied from future contracts; the Government could sue for damages; or, in cases where there remained vacant housing facilities, a suit could be brought to force compliance.

Robert C. Weaver, Mr. Kennedy's choice for Administrator of the Housing and Home Finance Agency, is a Negro who favors "open occupancy and non-discrimination" in federally aided housing. Weaver Dec. 31 said it was "premature" to say what techniques may be used to achieve his objectives.

The second problem the Kennedy Administration faces in considering a housing order is the possibility that it would jeopardize his housing bill in Congress. Two men who have been sponsors of omnibus housing bills in the past and also the two chairmen of the House and Senate Banking and Currency Committees, which have jurisdiction over housing legislation, are Southerners. Some Southern spokesmen have said that a policy of denying federal funds for housing projects unless non-discrimination were guaranteed would bring housing projects in the South to a virtual halt. Some Northern builders and city officials might also be discomfited by it. A housing official May 9, 1960 told the Senate Banking and Currency Housing Subcommittee that integration problems were among the major reasons applications for public housing had not equalled the Nation's need or Congress' authorization. Even confirmation of Weaver puts Southerners in a sensitive position.

For these reasons, it is possible that the President's pen will not be signing an executive order on housing discrimination so early in the Administration's existence, or that if it does the order signed will be largely along the lines of the Civil Rights Commission's recommendation.

## School Desegregation

Of the 3 million Negro public elementary and high school students in the 17 Southern and border states and the District of Columbia, 6.3 percent were attending classes with white children at the beginning of the 1960-61 school year, according to the independent, nonpartisan Southern School News. Public schools in four states in the "deep South" remain totally segregated.

President Eisenhower took the position that it would be improper for the President to comment on the Supreme Court's May 17, 1954 school desegregation decision and that its implementation should be left to the localities. During the campaign Mr. Kennedy said: "Moral and persuasive leadership by the President to create the conditions in which compliance with the constitutional requirements of school desegregation takes place: this is the kind of leadership I intend to give, the kind of action that we shall take."

In addition, there are several more specific actions under consideration:

The Democratic platform calls for legislative authorization for the Attorney General to seek injunctions against deprivation of any civil right. This proposal, called "Part III" after its place in the Administration's original 1957 civil rights bill, was rejected by Congress in 1957

## Commission Report

The Civil Rights Commission Jan. 15 released a report, "Equal Protection of the Laws in Public Higher Education," which urged the Federal Government to withhold all aid from public colleges and universities which discriminated against Negroes.

Members of the Commission were John A. Hannah of Michigan, chairman; Robert G. Storey of Texas, vice chairman; Doyle E. Carlton of Florida; Rev. Theodore M. Hesburgh of Indiana; George M. Johnson of Washington, D.C.; and Robert S. Rankin of North Carolina.

The Commission's findings:

- Although public colleges in the North and West were "not free from suspicion of discrimination," the heart of the problem was in the South. Of the 17 Southern states originally maintaining racially segregated schools, 13 had since admitted Negroes at the graduate or under-graduate level, or claimed to have adopted a non-discriminatory admission policy; at least 86 of the 211 Southern institutions formerly for whites only remained segregated. Compliance in some states was often only "token."

- The separate colleges for Negroes did not provide equal opportunity to that provided whites.

- The Federal Government, which provided at least \$1.5 billion a year in aid to colleges and universities, was, in effect, subsidizing discrimination through its aid to land-grant colleges, college housing, programs of institutes to improve the quality of education at the secondary and college level, and research programs. Fellowships and loans to individuals administered by the Federal Government on the basis of need were granted without discrimination.

The Commission's recommendations:

- The Federal Government, by executive or Congressional action, should ensure that federal aid to higher education went only to non-discriminatory institutions.

Commissioners Storey and Rankin concurred with reservations. Storey said "it is reasonable to conclude" that Congress would have delegated this power to the Executive if it wanted it exercised; Rankin urged a gradual procedure. Commissioner Carlton dissented.

- Congress should consider authorizing the use of three-judge courts in cases where the fact of public school segregation was at issue; appeals from such courts would be taken directly to the Supreme Court. (The report said it took an average of two and a half years to obtain final court determination of a Negro's right to higher education.) Commissioners Storey and Carlton dissented.

- The Government should sponsor, at a state's request, educational programs to help students and teachers handicapped because of inferior schooling.

Commissioners Hannah, Hesburgh and Johnson also recommended that the Government cut off aid to private colleges and universities which discriminated, and that Congress consider authorizing the Attorney General to file civil suits on behalf of private individuals denied equal protection of the laws with respect to higher education. Commissioners Storey, Carlton and Rankin dissented from the latter.

and 1960. However, some civil rights advocates believe that as a result of the Court's decision segregated schools constitute a violation of the 14th Amendment (which says that no state may deny its citizens "equal protection of the law") and therefore the Government is already authorized to file suits seeking compliance with the Court decision. The suits would be filed against local school officials for acting discriminatorily. Kennedy Administration officials have not yet decided whether or not to follow this course of action.

The Democratic platform called for legislation requiring every school district still segregated to submit a plan for at least first-step compliance by 1963. Judging from Congress' refusal in the past to enter the school desegregation area, it is doubtful that such a bill will emerge from the 87th Congress.

The platform also asks that federal technical and financial assistance be given to school districts facing "special problems of transition." A similar proposal was rejected by the 86th Congress. Some believe, however, that the U.S. Office of Education in the Health, Education and Welfare Department already has the authority to gather and disseminate technical information, if not the funds, to aid school desegregation.

The Civil Rights Commission in its Jan. 15 report and the President's Committee on Government Contracts in its final report suggested cutting off grant-in-aid programs to discriminatory public colleges. (See boxes)

## Employment

The Democratic platform and the Civil Rights Commission both recognized discrimination in employment practices as another problem that is nationwide.

Mr. Kennedy has promised "revitalization" of the President's Committee on Government Contracts, which was established by President Eisenhower to enforce the clause, standard to every Government contract, prohibiting discriminatory employment practices by those who receive the contracts. Congress in 1960 refused a Presidential request that the Committee be made a permanent statutory commission and be granted an annual appropriation.

However, civil rights advocates believe that the President has the power to extract any needed additional funds from the Governmental contracting agencies which now supply them. They suggest that the difference should be in the Committee's approach: that it should make broad investigations, and it should require that before a Government contract is awarded the contractee show that his employment practices are non-discriminatory. Another suggested remedy is to disqualify any firm found acting discriminatorily from any future contracts. It is argued that this is less drastic, to the nation's defense as well as to the firm, than cancellation of contracts. The Committee revoked no contracts during the Eisenhower Administration; two threats of revocation were issued.

Vice President-elect Lyndon B. Johnson, who succeeds Richard M. Nixon as head of the Committee, will be watched for his performance in this post.

The Democratic platform promises support of legislation to establish a federal Fair Employment Practices Commission to combat discrimination in employment through conciliation, education and, as a last resort, court action. Congressional approval is doubtful.

Mr. Kennedy also promised to make sure "that no American is barred from the highest positions in govern-

## Nixon Committee

The President's Committee on Government Contracts headed by Vice President Richard M. Nixon Jan. 11 submitted to President Eisenhower, its seventh and final report, "Pattern for Progress".

Finding that "overt discrimination" in industry "is not as prevalent as is generally believed," but to a greater degree equality in hiring and promotion is attributable to "the indifference of employers to establishing a positive policy of nondiscrimination," the Committee recommended that:

- The Federal Government, through legislation, executive order, or administrative ruling, extend the principle of equal opportunity to grant-in-aid programs, particularly those involving education, training or recruitment; to federally-aided housing programs; to agreements under which the Government contributes funds to state and local programs.

- All enlisted in the cause of equal job opportunity, including the Government, continue the Committee's work for opening more training and education opportunities for minorities.

- Legislation be enacted making the Committee a permanent commission.

ment because of the color of his skin." Although some progress has been made by Negroes in Government employment, it has generally been in the lower levels. The appointment of Weaver was hailed by civil rights groups as a promising start.

## Other Proposals

**Voting Rights** -- Mr. Kennedy criticized the Department of Justice under the Eisenhower Administration for slowness in enforcing the 1957 voting rights law. Seven suits were filed by the Department under the Eisenhower Administration. During the campaign Mr. Kennedy said, "The Executive has full power to provide the right to vote...and in my judgment a major effort should be made in 1961 to make sure there's no subterfuge, that everyone has the right to vote."

The Democratic platform promises support for "whatever action necessary" to eliminate literacy tests and poll taxes. Poll taxes are still charged by five states; Congress has repeatedly rejected attempts to ban them either by statute or by constitutional amendment. (1960 Almanac p. 284) Twenty states have some form of literacy test. (1960 Almanac p. 206)

**Anti-lynching Law** -- In the campaign Mr. Kennedy called for -- although his party's platform did not -- legislation outlawing lynching.

**Civil Rights Commission** -- The statutory authority for the Commission expires Nov. 8, 1961. In the campaign Mr. Kennedy said the Commission must be strengthened and the Democratic platform said it must be made permanent, strengthened, and its scope should be broadened. It is possible, however, that a simple extension will have to be settled for in 1961.

**Grant-in-aid programs** -- In addition to proposals that federal aid to segregated colleges and universities and to discriminatory housing projects be cut off, civil rights groups would like to see a similar stop put to programs which aid airport facilities, hospitals, vocational programs, recreational facilities, etc.



## EISENHOWER ACTIONS

During his final days in office President Eisenhower took the following actions:

**Budget and Economic Messages** -- Jan. 16 submitted his fiscal 1962 budget to Congress and Jan. 18 sent his Economic Report to Congress. (See p. 61)

**Columbia River Basin Treaty** -- Jan. 17 signed a treaty with Canada Prime Minister John G. Diefenbaker for joint development of the Columbia River Basin and submitted the treaty (Exec. C, 87th Congress, 1st session) to Congress for ratification.

**Sugar Act Extension** -- Jan. 17 announced that he had instructed Secretary of Agriculture Ezra Taft Benson to ask Congress to extend the expiration date of the 1948 Sugar Act from March 31, 1961 to Dec. 31, 1961, and to delete the mandatory requirement that certain amounts of sugar be obtained from the Dominican Republic to replace sugar formerly obtained from Cuba. (1960 Almanac p. 208)

**Italian Agreement** -- Jan. 17 sent a message to Congress announcing the conclusion of an agreement with Italy to share certain military training information with a view to strengthening Italian NATO forces.

**Farewell Address** -- Jan. 17 gave a nationally broadcast address in which he warned that the communist threat would be of "indefinite duration", thanked the American people for the opportunity for public service, and wished his successor "Godspeed". (For text, see p. 104)

**Press Conference** -- Jan. 18 held his final press conference in which he recommended a revision of election and inauguration dates to give an incoming President 80 days for organization, and called the preservation of peace his greatest Presidential achievement. (For text, see p. 101)

## UNEMPLOYMENT

Unemployment rose to 4,540,000 for December -- highest for the month since 1940 -- according to the Department of Labor's Monthly Report on the Labor Force issued Jan. 13. The increase over November of 509,000 jobless was three times the normal rise for the month.

The seasonally adjusted rate of unemployment for December was 6.8 percent of the total work force, compared with 6.3 percent in November.

Total employment experienced a greater than usual drop of 1.2 million, leaving a total of 66 million with jobs, about the same number as in December 1959. The report said the drop was "sharper than usual" even after allowing for the loss of 250,000 temporary election workers and the normal seasonal decline of 700,000 jobs in agriculture.

Deputy Assistant Secretary of Labor Seymour L. Wolfbein said an increase in family heads unemployed tended to show that unemployment is reaching the "stable core" of the labor force, no longer just the marginal workers.

The number of persons unemployed for 15 weeks or more amounted to one million, about 200,000 higher than December 1959. About half of these had been unemployed for more than 6 months.

The report listed 2,386,500 persons as receiving unemployment compensation during December, an increase of 423,900 over November. California had the greatest increase, with 46,800, followed by New York, 39,100; Michigan, 35,800; Illinois, 34,900; Ohio, 30,300; and Pennsylvania, 29,400.

Wolfbein said that if only seasonal changes occurred this winter the unemployment total would reach 5.6 million in January, 5.5 million in February, 5.4 million in March and 4.9 million in April. If normal springtime employment does not occur, he said, the totals could top 6 million.

**RELATED DEVELOPMENT** -- The Commerce Department Jan. 18 reported that total U.S. personal income declined in November and December for the first time since the 1959 steel strike. Incomes fell off \$700 million in November and \$2.3 billion in December, due almost entirely to payroll cuts in manufacturing, the report said. The Census Bureau Jan. 17 said private housing starts dropped 18 percent in December.

## HOUSE RULES COMMITTEE

A caucus of the House Democrats Jan. 18 approved by voice vote a resolution by Speaker Sam Rayburn (D Texas) to raise the membership of the House Rules Committee from 12 to 15, with 10 Democrats and 5 Republicans. (Weekly Report p. 31)

Rules Committee Chairman Howard W. Smith (D Va.) reportedly told the caucus he would call a Committee meeting to act on the increase, but that he would oppose the resolution on the House floor.

A meeting of the Democratic Study Group, which had been backing the Rules Committee change, Jan. 17 unanimously approved Rayburn's plan.

House Republicans also caucused Jan. 18 and re-assigned Reps. Clarence Brown (R Ohio) and B. Carroll Reece (R Tenn.) to the Rules Committee. The caucus took no action on filling the two Republican vacancies on the Committee pending a final determination of its size.

## NOMINATIONS

President Eisenhower Jan. 10 sent to the Senate a list of nearly 2,000 nominations, including 1,160 postmasters and a number of judgeships, assistant secretaries and members of regulatory agencies. Sen. Olin D. Johnston (D S.C.), Chairman of the Senate Post Office and Civil Service Committee, said he would "sit on" the nominations until the President's term ended.

President Kennedy was expected to withdraw the nominations in favor of his own candidates.

President Eisenhower's action was reportedly taken to preserve the salaries of many of the nominees serving under recess appointments until they are confirmed or their successors are appointed. Had the names not been submitted to the Senate within 40 days after Congress convened, salaries of the appointees would have been cut off.

In addition to the "political" appointments were several hundred routine military and foreign service appointments which were expected to be approved by Congress in the normal manner.



## Task Force Reports

# TASK FORCE SUGGESTS DETAILS FOR "PEACE CORPS"

A task force report to President-elect John F. Kennedy on his campaign proposal for a "peace corps" to serve in underdeveloped countries recommended launching the program on a "limited pilot basis with no more than a few hundred members." The report was prepared under the direction of Dr. Max F. Millikan, director of the Center for International Studies at the Massachusetts Institute of Technology, and released Jan. 9.

The report recommended that Congress authorize an "International Youth Service Agency" (IYSA), and that the Agency's programs be designed explicitly "to fill a temporary shortage of indigenous persons with the necessary qualifications in the host country." Such programs, the report said, "should be accompanied by and integrated with programs developed by the International Cooperation Administration (ICA) or its successor agency for the training of adequate personnel" in the foreign countries to take over the work eventually.

The report termed "undesirable" Mr. Kennedy's proposal that members of the "corps" could serve in it for three years as an alternative to serving in the armed forces. It said there was "abundant evidence that draft exemption is not required as a bait to induce an adequate number of applications to permit the selection of a first-class group." The report proposed, however, that those working under IYS programs receive draft deferments. (Weekly Report p. 36)

The report recommended that the programs be operated mainly through contracts or grants to a variety of private non-profit organizations such as universities. It said a "small semi-autonomous" set-up was best to begin with because the program was an entirely new concept and would require much experimentation. The entire program was exposed to "danger and risks" if improperly handled, the report said.

Highlights of the report:

- **Guiding Principles.** A central criterion must be the program's "demonstrable utility to public or private institutions in the host country." Surveys should be made to determine future needs for trained manpower in underdeveloped countries. Personnel should normally be employed by and responsible to institutions in the foreign countries, serving a kind of internship. It was essential for the smooth working of the program that the host institution should feel that they were basically responsible for and had at least partial control over IYS members.

It would be desirable that the host country institution accept the obligation to pay IYS members' salaries in local currency at the rate applicable for jobs of the kinds they held, and their willingness to do this would be "an important index of the value to them" of the services received.

Costs of training, maintenance and salary while outside the host country, transportation and medical care would be among the expenses which should be paid out of funds appropriated by Congress. Salary supplements also should be provided when necessary, but "the sense of

dedication of those applying for the youth corps should be such that they are prepared to accept standards of remuneration substantially lower than those they could expect from jobs in the United States."

For each small group of American IYS members there should be a senior responsible American in the host country to follow their work in detail. IYS members should be spread in small numbers through the host society to avoid any "substantial American communities," which would pose "serious positive dangers of the kind illustrated by American enclaves" abroad.

- **Selection of Applicants.** The judgment of organizations which had past experience in selecting personnel for overseas assignments "should be drawn on heavily." Standards of training and selection should be "very high," since "a few dramatic failures in the early pilot stages could do irreparable harm to the program as a whole." At least in the beginning, an undergraduate college degree should be a minimum. Flexibility and ability to adjust to difficult living conditions should be important considerations.

- **Term of Service, Age.** In the early stages it would seem undesirable to support programs of less than two years, including a training period. It was unlikely there could be effective programs with personnel under 22 years of age. There was "an important symbolic value" in treating the program as one designed primarily for people just coming out of undergraduate and graduate schools.

- **Training.** There should be a minimum of several months of training covering rudimentary language instruction in the native language of the area assigned and study of the economic, social, political, and cultural characteristics of the region. In many cases there should be additional training and orientation programs in the foreign country itself.

- **Two-way Program.** The IYSA should give serious study to possibilities of giving the program a two-way character by bringing young people from underdeveloped countries to the United States for education and training. The most promising areas would appear to be participation by foreign students in U.S. primary and secondary school systems and possibly in language instruction in colleges.

- **Organizational Structure.** The Agency should be headed by a director of "international stature, probably from the academic world but with great knowledge of the underdeveloped countries and with unusual administrative and diplomatic skills." It should be governed by a board of directors representing ICA, the U.S. Information Agency, State Department, major foundations and principal professions in which the Agency was active. It should have a small staff of its own, but "rely heavily for information and advice" on the ICA staff. It should directly administer no overseas programs itself, but have funds to encourage by contracts and grants-in-aid a wide variety of such programs through private organizations.

## MEDICAL CARE UNDER SOCIAL SECURITY URGED BY TASK FORCE

Enactment of the controversial program of medical aid for the aged under the Social Security System and expansion of federal grants to produce the technicians and facilities to meet growing health needs were major recommendations of a task force report on health and Social Security presented to President-elect Kennedy Jan. 10. The report also called for substantial expansion and reorganization of the less publicized federal grant programs for children and youth.

Chairman of the task force was University of Michigan Prof. Wilbur J. Cohen, whom Mr. Kennedy Jan. 15 named as Assistant Secretary of Health, Education and Welfare for Legislation. Other members were Dr. Dean A. Clark, general director of Massachusetts General Hospital; Dr. Robert E. Cooke, Johns Hopkins University professor of pediatrics; James Dixon, an M.D. and president of Antioch College; Joshua Lederberg, Stanford University professor of genetics; Herman M. Somers, professor of political science at Haverford College; and Elizabeth Wickenden of the New York School of Social Work at Columbia University.

The report contained 12 major recommendations. The following nine were released to the press:

**Medical Care for the Aged**-- The Social Security payroll tax should be increased by one-fourth percent for both the worker and employer to cover costs of hospitalization, diagnosis at out-patient hospital facilities, nursing home services and some health services. Cohen Jan. 10 said doctors' fees should not be included in the program. He estimated that the tax increase would produce \$1 billion per year and said benefits should be available to men over 65 years of age, women over 62, widows and surviving children and the permanently disabled. This would make approximately 14.5 million persons eligible under the proposed program.

The report said the states should take care of the "small group" of aged not covered by Social Security, civil service or veterans' laws, or the federal-state public assistance program. The provisions of the new program should in "no way socialize medical care" and the legislation should assure the recipient free choice of physician, hospital or nursing home, the report said.

To prevent overburdening of hospitals, the legislation should provide that the individual would receive two days of nursing home service or home health service to every day of hospital care.

**Medical Education and Manpower** -- To increase the number of doctors and other health specialists, Congress should immediately embark on grant programs to give basic support to operating costs of medical schools and to give institutions incentive to expand the training of personnel. This would involve federal expenditure of \$10 million to \$20 million the first year.

Congress should aid the construction and renovation of medical schools by authorizing \$400,000 for planning grants, \$25 million for alteration of existing facilities, \$25 million for construction of new facilities, including the establishment of two-year schools.

Federal grants of \$10 million to \$20 million should be provided to institutions for scholarships and fellowships in fiscal 1962.

The report said the entire program would cost \$70 million to \$90 million in federal funds for the first year

and would be increased to a stable level of approximately \$270 million by the fourth year.

**Medical Research** -- The task force did not consider expansion of federal support of medical research a priority welfare need and recommended continuance of grants for direct costs of research at the current level. However, it said Congress should eliminate the limitation on indirect expenses in research grants by the National Institutes of Health which "acts as a deterrent to new research" because it "does not cover the actual indirect expenses" of the institutions. This would cost in the long run about \$50 million per year.

**Medical Care Facilities** -- To provide the additional facilities required by the expanded program of medical aid to the aged, Congress should increase by \$10 million Hill-Burton Act grants for non-profit nursing homes and chronic disease facilities and authorize long-term, low-interest loans for construction, renovation and expansion of non-profit hospitals and nursing homes (100 million annually) and group practice facilities (\$5 million annually).

**National Academy of Health** -- The President should encourage creation of a non-governmental, independent National Academy of Health to honor achievement and provide an advisory body to the government.

**National Institute of Child Health** -- The Surgeon General, through administrative action, should establish a National Institute of Child Health within NIH to "recognize the Administration's concern not only with the welfare of the aged, but with its children and youth." The Institute, which would employ researchers in genetics, obstetrics, psychology and pediatrics, would emphasize "the care of the whole individual."

**Aid to Dependent Children** -- To meet the needs of families enduring unemployment, a temporary amendment should be added to Title IV of the Social Security Act until June 30, 1962, authorizing the extension of aid to dependent children to children in need as a result of parental unemployment.

**Family and Child Welfare Services Plan** -- Before the expiration of the program aiding children of the unemployed, the HEW Secretary should send a Family and Child Welfare Services plan to the President and Congress. The plan should consolidate Social Security programs affecting needy families and community social services concerned with juvenile delinquents and the aging.

**Administrative Organization** -- The report recommended administrative action by the HEW Secretary to bring about the following changes within the Department:

- Elevation of the Children's Bureau from within the Social Security Administration to the Office of the Secretary to enable it to serve its original purpose of developing new programs. Its administrative responsibilities for health grants would be transferred to the Public Health Service and for welfare services to the Social Security Administration.

- Designation of the Special Staff on Aging as an Office of Aging to advise and assist the Secretary.

- Creation of an Institute of Family and Child Welfare Research associated with the Social Security Administration.

## NATURAL RESOURCES REPORT

The Kennedy-Johnson Natural Resources Advisory Committee, formed during the Presidential campaign, Jan. 17 released a report recommending expanded federal participation in the development and conservation of the nation's natural resources.

The 13-page report was submitted to President-elect Kennedy by Rep. Frank E. Smith (D Miss.), chairman of the 450-member committee. It said "vigorous new leadership" was essential to conserve the country's renewable resources of water, soil and forests and their full development was necessary to make possible the proper growth of the nation's economy. Because of "constructive commitments for resource development and conservation" made by Mr. Kennedy during the campaign, the report said, the committee looked forward to an "administration that will establish landmarks of achievement" in these areas.

Existing federal agencies were capable of performing the necessary work for a meaningful conservation program, the report said, and should a new Cabinet Department of Urban Affairs be established, provisions should be made for a team of experts to work with the agencies where problems of conservation and urban development overlapped.

The committee made these recommendations:

- Water -- Development of a long-range saline water conversion program.
- Flood control and reclamation -- Adequate flood protection for all of the country's river valleys and continued land reclamation through irrigation projects.
- Watershed development -- Complete or partial construction of 2,000 watershed projects by 1968.
- Power -- Enactment of "a national energy and fuels policy to guide federal agencies responsible for resource development." Distribution of atomic power from federal plants "as soon as production costs can be materially reduced" and conversion of coal into electricity for distribution to areas short of power.
- Navigation -- Exemption of waterways from tolls or equivalent charges and an expanded program of waterways improvement to meet water transportation demands which are expected to double by 1980.
- Pollution control -- Enactment of a water pollution control bill similar to the one vetoed in 1960. The vetoed bill (HR 3610) would have provided \$90 million a year for 10 years to help communities build sewage treatment plants. (1960 Almanac p. 250)
- Conservation -- Employment of "several hundreds of idle young men" aged 16 to 21 on federal and state reforestation, soil conservation, park and wildlife projects. Enactment of legislation to "assure perpetuation of wilderness values."
- National parks -- Establishment of shoreline parks -- "the most critically needed additions" to the national park system.
- Forestry -- Increased forestry efforts to double production in the next 40 years. Federal and state credit programs for small woodland owners.
- Budgetary policy -- Modification of Budget Bureau policies which "discourage (conservation) projects by excessive requirements for (payments by) local interests," and adoption of a budget policy which distinguishes between "capital investment and operating expenditures in the natural resources field." The report welcomed "the end of the 'no new starts' policy."

## HOUSING TASK FORCE

A special task force on housing Jan. 7 urged President-elect Kennedy to institute a multi-billion dollar federal housing program with particular emphasis on aid for low-income families. Chairman of the task force was Joseph McMurray, president of Queens (N.Y.) Community College and former New York State Housing Commissioner. A brief summary of the 87-page study was made public.

The report urged the establishment of a new Cabinet-level department to handle housing and urban development activities. It also proposed supplementing the existing public housing program by "an entirely new subsidy program to provide housing for low-income families." The program should encourage participation by private enterprise and give "the widest discretion to local communities in choosing their housing programs..."

An increase in authorizations for the Federal Housing Administration and liberalization in FHA terms were recommended, plus a new FHA insurance program for site development. Additional funds also were recommended for the Federal National Mortgage Assn. to cover both the regular secondary-market program and the special assistance program.

Other recommendations:

- Additional funds for the direct-loan program to non-profit corporations for housing for the elderly.
- Additional funds at the rate of \$500 million a year for college housing.
- A four-year program of approximately \$650 million a year four urban renewal projects.
- A four-year program of partial grants for community facilities, the total not to exceed \$750 million, including increased funds for sewage plants under the Water Pollution Act.
- An immediate program for planning grants and \$100 million for public facility loans to improve mass transit systems.
- Planning grants and a limited loan fund to encourage "orderly suburban development."
- An expanded program of research in housing and urban development.
- Extension of the farm housing program with an additional \$450 million for direct loans to "adequate" farms (economic farm units with ability to repay), an additional \$10 million for grants to help "potentially adequate" farms and \$50 million in loans and grants to encourage family-size farms.
- The appointment by the Secretary of the proposed Department of Housing and Urban Development of four commissions to study and develop proposals for legislation or administrative action on (1) standardization of mortgage foreclosure, (2) special problems of residential mortgage credit, (3) standardization of local codes, and (4) tax policies of federal, state and local governments affecting housing construction and rehabilitation.

## EXCHANGE OF PERSONS

President Kennedy's task force on exchange of persons, headed by Prof. James C. Davis of the University of Michigan, Jan. 9 released a report calling for Presidential leadership in creating a "national effort with purpose and thrust" in educational, cultural, technical, scientific and informational cooperation programs.

The report made the following recommendations:



- Creation of an "action center" for exchange of persons, headed either by an Under Secretary or Deputy Under Secretary of State or a special assistant in the Executive Office of the President. The report favored placing the office within the State Department, but cautioned against making the occupant of the post responsible for the operation of exchange programs within his own Department at the same time he is responsible for the over-all coordination of programs in all departments.

- Expansion of the present U.S. Advisory Commission on International Exchange from the present 5 members to 9, elimination of requirements relating membership to political party affiliation, and allowance of an "adequate staff."

- Establishment of a Mutual Educational and Cultural Cooperation Fund using U.S. foreign currency holdings and supplemental dollar appropriations by Congress to assist financing of both governmental and private education programs abroad. The report said the various agencies concerned with exchange programs should be "requested immediately" to submit proposals for programs to be financed from such a fund, making maximum possible use of private agencies to provide program services.

- Legislation to provide matching grants to U.S. educational institutions for various types of assistance to privately-sponsored foreign students; outright grants to colleges to cover the "real costs" of educating government sponsored foreign students; matching grants to local organizations for programming government sponsored short-term visitors; and special funds to enable U.S. institutions to bring foreigners for teaching, research and study.

- Elimination of "technical irritants which inhibit the most effective operation of exchange programs," such as: revision of visa requirements to allow foreign students to have their families on the same visa and to extend the employment privileges of foreign students; amendment of the Social Security Act to exempt foreign students who will never receive benefits from payment of the Social Security payroll tax; and an increase in per diem allowances for government-sponsored foreign visitors.

- Government encouragement of more colleges and universities to participate in cultural exchange programs.

- Increase of exchange programs with communist-bloc countries "as quickly as satisfactory arrangements can be made."

## SPACE REORGANIZATION

President Kennedy's task force on space programs, in a report released Jan. 11, found "a number of organizational and management deficiencies" in the Government's current space effort. A nine-man group headed by Dr. Jerome B. Wiesner of the Massachusetts Institute of Technology, whom Kennedy appointed Jan. 11 as Special Assistant to the President for Science and Technology, concluded that it was important to "reassess thoroughly national objectives" in the space effort.

The report, although generally critical, said "adequate recognition" must be given to the "dedication and talent which brought about very real progress during the last few years." Scientific accomplishments so far had been "impressive," the task force report added, but compared with Soviet accomplishments they had "not been impressive enough."

The task force report listed the following deficiencies in the current space program:

- Development of ballistic missiles was "lagging." Although missiles could not yet be depended upon as effective deterrents, their development was yielding to emphasis on space projects.

- Neither the National Aeronautics and Space Administration as currently organized, nor the "fractionated" military space program, nor the "long-dormant" National Aeronautics and Space Council had given adequate direction to meet the Soviet challenge.

- NASA was not giving enough attention to research in the field of aeronautics, where there was "ample evidence" that Russia, and perhaps Great Britain, had surpassed the U.S.

- There had been too much emphasis on the man-in-space program, "where we are less likely to achieve success," at the expense of more valuable space goals, such as development of international television relay and communications systems.

- Our current rockets were unable to lift large payloads. The report said this was the key to the "serious limitation of our space program."

The report made the following recommendations:

- Acceleration of ballistic missile development and procurement. The report said this would require additional funds, but that "re-establishing an effective, efficient, technically competent management for the program is the overriding necessity."

- "More effective management and coordination" of the space effort. The need to attract "a larger group of competent scientists and engineers should be a guiding principle."

- Achieving better management by assigning all military space activity to one agency or military service in the Defense Department. The National Aeronautics and Space Council should then have the responsibility of resolving disputes between NASA, as the civilian agency, and the Department of Defense.

- Reorganizing the internal structure of NASA. The report recommended four divisions: propulsion and vehicle design and development; the space sciences; non-military exploitation of space technology; and aeronautical sciences and aircraft development.

- A "substantial effort", through NASA, in research and development in the field of aeronautics.

- Rapid development of booster rockets with a greater weight-lifting capacity. The report said this was "a matter of national urgency." To preclude overlapping of civilian and military booster projects, a National Booster Program was recommended.

The report said that "in spite of the limitations" of payload capacities, "our scientific program in space appears to be basically sound." The report recommended the following to insure further success: scientific objectives be given a prominent place in the planning of space activities; participation in the space program of outstanding scientists from universities and industry be insured; and a research in advanced space instrumentation be initiated immediately.

The report also recommended greater Government-industry cooperation in the development of space projects such as communication, navigation and meteorological satellites, which had demonstrated many feasible civilian uses.





## Committee Roundup

### MSTS PROBE

COMMITTEE -- Senate Government Operations, Permanent Investigations Subcommittee.

BEGAN HEARINGS -- On alleged bribery and conflict of interest between civilian employees of the Military Sea Transportation Service and ship repair contractors doing business with MSTS at its Brooklyn, N.Y. base. MSTS, operated by the Navy, is responsible for the maintenance of a fleet of ships used to transport personnel and cargo to and from U.S. military establishments around the world. For the repair of its ships, MSTS has a Maintenance and Repair Section, staffed primarily by civilians, at its Brooklyn base.

Subcommittee Chairman John L. McClellan (D Ark.) said the Subcommittee had received allegations of "improper relationships" involving the acceptance by employees of "improper gratuities in the form of cash, gifts and other favors." He said the Subcommittee planned to "examine contract procedures and practices" used by MSTS to see if "adequate safeguards" had been established and "look into the relationships" between contractors and Government employees.

TESTIMONY -- Dec. 5 -- Rear Adm. James C. Dempsey, Commander of the MSTS, Atlantic Area, said regulations provided for the termination of a contract in the event gratuities were offered or given to a Government employee to secure favorable treatment regarding the performance of a contract. He said that with the exception of one incident (see testimony of William S. Mackie below) he had "neither been informed" nor "observed violations of the prescribed standards of conduct by personnel" of his staff.

William S. Mackie, Assistant Port Engineer for MSTS, said he was suspended for 10 days without pay after he stored his cabin cruiser at a shipyard doing business with MSTS. He said he had paid all of the storage charges, however.

Joseph Bennett, an inspector for MSTS from 1951 to 1958, said he was paid for working after hours as a supervisor for at least two contractors repairing ships he inspected. He said he received \$47 from one contractor, who had since died, and \$300 from Roy Glinkski, head of AAA Metal Works Inc., of Brooklyn. Bennett said the Government did not know he was receiving this money and "payoffs and favors" from contractors were "common protocol." Bennett also said Jack Kane, a contractor with MSTS, told him he had deducted \$500 from a payment to Bennett, presumably to be given to Garrison Tyler, a maintenance supervisor for MSTS. Bennett also said Ralph Masters, another MSTS contractor, offered to pay \$500 per week for some spare-time work.

Garrison Tyler said the payment alleged by Bennett "never happened."

Dec. 6 -- Ralph Masters said he had never made an offer to pay Bennett for spare-time work.

George P. Cross, superintending port engineer for MSTS, invoked the 5th Amendment when asked to explain the source of nearly \$100,000 of his income between 1955 and 1959. He did say, however, that he had done

nothing wrong in connection with his job, which paid \$13,633 yearly. McClellan said he did not believe a witness had a right to deny wrongdoing and then refuse to produce evidence which showed whether he had told the truth.

Paul E. Kammerick, assistant Subcommittee counsel, said Cross' income was traced through cashier's checks purchased between 1955 and 1959. Of unexplained income, Kammerick said Cross invested \$27,500 in real estate, \$52,489.13 in stocks, \$8,004.09 for household items and landscaping and \$12,000 for six automobiles. The hearings were recessed until Feb. 1.

### REPUBLICAN ASSIGNMENTS

The Senate Jan. 13 adopted two resolutions (S Res 31, 32) fixing the Republican standing and select committee rosters for the 87th Congress. The only shifts in the party ratios on committees were on the Appropriations Committee, where the GOP picked up one seat, Labor and Public Welfare Committee, where they lost one. (For Senate committee roster, see next page.)

Sen. Andrew F. Schoepel (R Kan.), chairman of the Republican Committee on Committees which made the standing committee assignments, won the prized slot on the Appropriations Committee.

In a Republican Conference called earlier the same day to approve the committee rosters, Sen. Jacob K. Javits (N.Y.) protested against the traditional GOP method of making committee assignments on the basis of seniority. Conference Chairman Leverett Saltonstall (Mass.) said Javits would be given a hearing later in January 1961 to discuss possible alteration of the seniority rule.

The Senate's two Republican freshmen were assigned to these committees:

Boggs (Del.) -- Agriculture, Public Works, Post Office and Civil Service.

Miller (Iowa) -- District of Columbia, Interior and Insular Affairs, Rules and Administration.

### REPUBLICAN COMMITTEE SWITCHES

Several Republican Senators returning from the 86th Congress switched or dropped committee assignments for the 87th Congress. Drops and new assignments are listed below. Committees retained by Senators are not indicated in the listing. Numbers in parentheses show the Senator's seniority rank on his new committee or the rank he would have held on a committee if he had stayed on it.

Senator	Committee Relinquished	New Assignment
Case (S.D.)	District of Columbia (2)	-----
Hickenlooper (Iowa)	-----	Aeronautical & Space Sciences (5)
Schoepel (Kan.)	Agriculture (5)	Appropriations (10)
Young (N.D.)	Post Office & Civil Service (3)	-----

## SENATE COMMITTEE MEMBERSHIP IN THE 87TH CONGRESS

Following is a list of the Senate standing and select committees and their members for the 87th Congress. Names are listed in order of committee seniority with Democrats on the left and Republicans on the right. An asterisk (\*) denotes a new member of a committee and underscored names denote a freshman Senator. The committee's telephone extension and the ratio of Democrats to Republicans are given.

### Aeronautical and Space Sciences

Aeronautical and space activities and matters relating to the scientific aspects of these activities, except those peculiar to or primarily associated with the development of weapons systems or military operations; National Aeronautics and Space Administration. Ext. 6477.

#### D 10 - R 5

Robert S. Kerr (D Okla.), Chairman

Richard B. Russell (Ga.)†	Styles Bridges (N.H.)
Warren G. Magnuson (Wash.)†	Alexander Wiley (Wis.)
Clinton P. Anderson (N.M.)†	Margaret Chase Smith (Maine)
Stuart Symington (Mo.)	Clifford P. Case (N.J.)
John Stennis (Miss.)	*Bourke B. Hickenlooper (Iowa)
Stephen M. Young (Ohio)	
Thomas J. Dodd (Conn.)	
Howard W. Cannon (Nev.)	
*Spessard L. Holland (Fla.)	

†Waived seniority to Kerr.

### Agriculture and Forestry

Agriculture in general, including farm credit and security, crop insurance, soil conservation and rural electrification; forestry in general. Ext. 2035.

#### D 11 - R 6

Allen J. Ellender (D La.), Chairman

Olin D. Johnston (S.C.)	George D. Aiken (Vt.)
Spessard L. Holland (Fla.)	Milton R. Young (N.D.)
James O. Eastland (Miss.)	Bourke B. Hickenlooper (Iowa)
Herman E. Talmadge (Ga.)	Karl E. Mundt (S.D.)
William Proxmire (Wis.)	John Sherman Cooper (Ky.)
B. Everett Jordan (N.C.)	*J. Caleb Boggs (Del.)
Stephen M. Young (Ohio)	
Philip A. Hart (Mich.)	
*Eugene J. McCarthy (Minn.)	
*Maurine B. Neuberger (Ore.)	

### Appropriations

Appropriations of Government revenues. Ext. 3471.

#### D 17 - R 10

Carl Hayden (D Ariz.), Chairman

Richard B. Russell (Ga.)	Styles Bridges (N.H.)
Dennis Chavez (N.M.)	Leverett Saltonstall (Mass.)
Allen J. Ellender (La.)	Milton R. Young (N.D.)
Lister Hill (Ala.)	Karl E. Mundt (S.D.)
John L. McClellan (Ark.)	Margaret Chase Smith (Maine)
A. Willis Robertson (Va.)	Henry C. Dworshak (Idaho)
Warren G. Magnuson (Wash.)	Thomas H. Kuchel (Calif.)
Spessard L. Holland (Fla.)	Roman L. Hruska (Neb.)
John Stennis (Miss.)	Gordon Allott (Colo.)
John O. Pastore (R.I.)	*Andrew F. Schoepel (Kan.)
Estes Kefauver (Tenn.)	
A.S. Mike Monroney (Okla.)	
Alan Bible (Nev.)	
Robert C. Byrd (W.Va.)	
Gale W. McGee (Wyo.)	
*Hubert H. Humphrey (Minn.)	

### Armed Services

Military affairs, Panama Canal and Canal Zone, conservation of petroleum resources, strategic and critical materials; aeronautical and space activities peculiar to or primarily associated with development of weapons systems or military operations. Ext. 3871.

#### D 11 - R 6

Richard B. Russell (D Ga.), Chairman

Harry Flood Byrd (Va.)	Leverett Saltonstall (Mass.)
John Stennis (Miss.)	Styles Bridges (N.H.)†
Stuart Symington (Mo.)	Margaret Chase Smith (Maine)
Henry M. Jackson (Wash.)	Francis Case (S.D.)
Sam J. Ervin Jr. (N.C.)	Prescott Bush (Conn.)
Strom Thurmond (S.C.)	J. Glenn Beall (Md.)
Clair Engle (Calif.)	
E.L. (Bob) Bartlett (Alaska)	
Howard W. Cannon (Nev.)	
*Robert C. Byrd (W.Va.)	

†Waived seniority to Saltonstall.

### Banking and Currency

Banking and currency generally; financial matters other than taxes and appropriations, public and private housing and economic controls. Ext. 3921.

#### D 10 - R 5

A. Willis Robertson (D Va.), Chairman

John J. Sparkman (Ala.)	Homer E. Capehart (Ind.)
Paul H. Douglas (Ill.)	Wallace F. Bennett (Utah)
Joseph S. Clark (Pa.)	Prescott Bush (Conn.)
William Proxmire (Wis.)	J. Glenn Beall (Md.)
Harrison A. Williams Jr. (N.J.)	Jacob K. Javits (N.Y.)
Edmund S. Muskie (Maine)	
*Edward V. Long (Mo.)	
*Maurine B. Neuberger (Ore.)	
*William A. Blakley (Texas)	

### District of Columbia

All measures relating to municipal affairs of the District of Columbia, except appropriations for its operation. Ext. 4161.

#### D 4 - R 3

Alan Bible (D Nev.), Chairman

Wayne Morse (Ore.)	J. Glenn Beall (Md.)
Vance Hartke (Ind.)	Winston L. Prouty (Vt.)
*Benjamin A. Smith (Mass.)	*Jack Miller (Iowa)

### Finance

Taxes, tariffs, import quotas, social security, veterans' compensation, pensions and armed forces' life insurance. Ext. 4515.

#### D 11 - R 6

Harry Flood Byrd (D Va.), Chairman

Robert S. Kerr (Okla.)	John J. Williams (Del.)
Russell B. Long (La.)	Frank Carlson (Kan.)
George A. Smathers (Fla.)	Wallace F. Bennett (Utah)
Clinton P. Anderson (N.M.)	John Marshall Butler (Md.)
Paul H. Douglas (Ill.)	Carl T. Curtis (Neb.)
Albert Gore (Tenn.)	Thurston B. Morton (Ky.)
Herman E. Talmadge (Ga.)	
Eugene J. McCarthy (Minn.)	
Vance Hartke (Ind.)	
*J.W. Fulbright (Ark.)	

### Foreign Relations

Relations of United States with foreign nations generally; treaties, Red Cross, diplomatic service, United Nations, foreign loans. Ext. 4615 or 4651.

#### D 11 - R 6

J.W. Fulbright (D Ark.), Chairman

John J. Sparkman (Ala.)	Alexander Wiley (Wis.)
Hubert H. Humphrey (Minn.)	Bourke B. Hickenlooper (Iowa)
Mike Mansfield (Mont.)	George D. Aiken (Vt.)
Wayne Morse (Ore.)	Homer E. Capehart (Ind.)
Russell B. Long (La.)	Frank Carlson (Kan.)
Albert Gore (Tenn.)	John J. Williams (Del.)
Frank J. Lausche (Ohio)	
Frank Church (Idaho)	
*Stuart Symington (Mo.)	
*Thomas J. Dodd (Conn.)	

## Government Operations

Budgeting and accounting measures; reorganization of the Executive Branch; general governmental and administrative problems; intergovernmental relationships between the Federal Government and the states and municipalities, and between the United States and international organizations of which the United States is a member. Ext. 4751.

### D 6 - R 3

John L. McClellan (D Ark.), Chairman  
Henry M. Jackson (Wash.) Karl E. Mundt (S.D.)  
Sam J. Ervin Jr. (N.C.) Carl T. Curtis (Neb.)  
Hubert H. Humphrey (Minn.) Jacob K. Javits (N.Y.)  
Ernest Gruening (Alaska)  
Edmund S. Muskie (Maine)

## Interior and Insular Affairs

Public lands, natural resources, territorial possessions of the U.S., Indian affairs. Ext. 4971.

### D 11 - R 6

Clinton P. Anderson (D N.M.), Chairman  
Henry M. Jackson (Wash.) Henry C. Dworshak (Idaho)  
Alan Bible (Nev.) Thomas H. Kuchel (Calif.)  
John A. Carroll (Colo.) Barry Goldwater (Ariz.)  
Frank Church (Idaho) Gordon Allott (Colo.)  
Ernest Gruening (Alaska) Hiram L. Fong (Hawaii)  
Frank E. Moss (Utah) \*Jack Miller (Iowa)  
Oren E. Long (Hawaii)  
Quentin N. Burdick (N.D.)  
\*Lee Metcalf (Mont.)  
\*J.J. Hickey (Wyo.)

## Interstate and Foreign Commerce

Regulation of interstate transportation, communications, inland waterways, Coast Guard, merchant marine, civil aeronautics except activities of the National Aeronautics and Space Administration; fisheries and wildlife, Weather Bureau, Coast and Geodetic Survey, Bureau of Standards. Ext. 5115.

### D 11 - R 6

Warren G. Magnuson (D Wash.), Chairman  
John O. Pastore (R.I.) Andrew F. Schoeppel (Kan.)  
A.S. Mike Monroney (Okla.) John Marshall Butler (Md.)  
George A. Smathers (Fla.) Norris Cotton (N.H.)  
Strom Thurmond (S.C.) Clifford P. Case (N.J.)  
Frank J. Lausche (Ohio) Thruston B. Morton (Ky.)  
Ralph W. Yarborough (Texas) Hugh Scott (Pa.)  
Clair Engle (Calif.)  
E.L. (Bob) Bartlett (Alaska)  
Vance Hartke (Ind.)  
Gale W. McGee (Wyo.)

## Judiciary

Federal courts and judges, civil rights, civil liberties, constitutional amendments, interstate compacts, immigration and naturalization, apportionment of Representatives, meetings of Congress and attendance of Members, claims against the U.S., Patent Office. Ext. 5225.

### D 10 - R 5

James O. Eastland (D Miss.), Chairman  
Estes Kefauver (Tenn.) Alexander Wiley (Wis.)  
Olin D. Johnston (S.C.) Everett McKinley Dirksen (Ill.)  
John L. McClellan (Ark.) Roman L. Hruska (Neb.)  
Sam J. Ervin Jr. (N.C.) Kennett B. Keating (N.Y.)  
John A. Carroll (Colo.) Norris Cotton (N.H.)  
Thomas J. Dodd (Conn.)  
Philip A. Hart (Mich.)  
\*Edward V. Long (Mo.)  
\*William A. Blakley (Texas)

## Labor and Public Welfare

Education, labor, welfare, veterans' affairs, medical care. Ext. 5375.

### D 10 - R 5

Lister Hill (D Ala.), Chairman  
Pat McNamara (Mich.) Barry Goldwater (Ariz.)  
Wayne Morse (Ore.) Everett McKinley Dirksen (Ill.)  
Ralph W. Yarborough (Texas) Clifford P. Case (N.J.)  
Joseph S. Clark (Pa.) Jacob K. Javits (N.Y.)  
Jennings Randolph (W.Va.) Winston L. Prouty (Vt.)  
Harrison A. Williams Jr. (N.J.)  
Quentin N. Burdick (N.D.)  
\*Benjamin A. Smith (Mass.)  
\*Claiborne Pell (R.I.)

## Post Office and Civil Service

Postal and federal civil services; census; National Archives. Ext. 5451.

### D 6 - R 3

Olin D. Johnston (D S.C.), Chairman  
A.S. Mike Monroney (Okla.) Frank Carlson (Kan.)  
Ralph W. Yarborough (Texas) Hiram L. Fong (Hawaii)  
Joseph S. Clark (Pa.) \*J. Caleb Boggs (Del.)  
B. Everett Jordan (N.C.)  
Jennings Randolph (W.Va.)

## Public Works

Public buildings, roads; flood control, rivers and harbors, stream pollution, water power. Ext. 6176.

### D 11 - R 6

Dennis Chavez (D N.M.), Chairman  
Robert S. Kerr (Okla.) Francis Case (S.D.)  
Pat McNamara (Mich.) John Sherman Cooper (Ky.)  
Jennings Randolph (W.Va.) Hugh Scott (Pa.)  
Stephen M. Young (Ohio) Winston L. Prouty (Vt.)  
Edmund S. Muskie (Maine) Hiram L. Fong (Hawaii)  
Ernest Gruening (Alaska) \*J. Caleb Boggs (Del.)  
Frank E. Moss (Utah)  
Oren E. Long (Hawaii)  
\*Benjamin A. Smith (Mass.)  
\*Lee Metcalf (Mont.)

## Rules and Administration

Senate administration generally; management of the Library of Congress, the Smithsonian Institution, etc. Ext. 6352.

### D 6 - R 3

Mike Mansfield (D Mont.), Chairman  
Carl Hayden (Ariz.)† Carl T. Curtis (Neb.)  
B. Everett Jordan (N.C.) Kenneth B. Keating (N.Y.)  
Howard W. Cannon (Nev.) \*Jack Miller (Iowa)  
\*J.J. Hickey (Wyo.)  
\*Claiborne Pell (R.I.)

†Waived seniority to Mansfield.

## Select Small Business

Studies and investigates problems of small business and reports findings and makes recommendations to the Senate, but cannot report legislation. Ext. 5176.

### D 11 - R 6

John J. Sparkman (D Ala.), Chairman  
Russell B. Long (La.) Leverett Saltonstall (Mass.)  
Hubert H. Humphrey (Minn.) Andrew F. Schoeppel (Kan.)  
George A. Smathers (Fla.) Jacob K. Javits (N.Y.)  
Wayne Morse (Ore.) John Sherman Cooper (Ky.)  
Alan Bible (Nev.) Hugh Scott (Pa.)  
Jennings Randolph (W.Va.) Winston L. Prouty (Vt.)  
Clair Engle (Calif.)  
E.L. (Bob) Bartlett (Alaska)  
Harrison A. Williams Jr. (N.J.)  
Frank E. Moss (Utah)

## SUBCOMMITTEE REPORT ON REGULATORY AGENCIES

The Special Legislative Oversight Subcommittee of the House Interstate and Foreign Commerce Committee Jan. 3 issued a final report on its investigations during the 86th Congress (H Rept 2238). On the whole, the report repeated earlier recommendations, made since it began its inquiries in 1957, for federal licensing and regulation of radio and television networks, a code of ethics for regulatory agencies, and a change in handling of the agencies' budget requests. (1960 Almanac p. 728)

The report was the final act of the Subcommittee -- which conducted the much-publicized hearings on rigged television shows, payola and improper influence in the regulatory agencies. Its chairman, Rep. Oren Harris (D Ark.) did not ask for its continuation in the 87th Congress, and it expired Jan. 3, 1961. One of the Subcommittee's new recommendations, however, was for the creation of a permanent Subcommittee on Regulatory and Administrative Commissions, within the Interstate and Foreign Commerce Committee.

### STAFF REPORT

The final report came two weeks after the Dec. 21, 1960 release of a staff report to the Subcommittee. The staff report contained comprehensive analysis of hearings and sharply criticized procedures in two agencies -- the Civil Aeronautics Board and Interstate Commerce Commission. Release of the study brought strong protests from Republican Subcommittee members, who, in separate views accompanying the final report, said it was "unfair, unjudicial" and should not have been issued before public hearings "to determine whether the charges are true." The minority protested especially what it called "perhaps the most shocking political whitewash to come out of a Congressional committee in years" -- the report's vindication of prominent New Deal attorney Thomas G. Corcoran, who represented gas company interests in off-the-record contacts with members of the Federal Power Commission, and whose activities were the subject of May 1960 Subcommittee hearings. (1960 Almanac p. 731)

The Subcommittee, in an introduction to its report, said while it "does not take responsibility for the staff's conclusions, it was nevertheless sufficiently satisfied as to the quality of the work underlying them and felt justified in making the report public."

The final report, however, omitted all staff findings on the CAB, and softened staff criticisms of the ICC. It did include most of the staff language in the Corcoran-FPC case.

### GENERAL CONCLUSIONS

In its general conclusions, the report said delay was "a most critical problem" in the regulatory agencies. It listed as the chief contributory factors: lack of clearly defined and published standards and policies, lack of planning for future technological developments in the industries being regulated, excessive interventions, cumbersome procedures, absence of incentives for speedy decisions, presence in many instances of incentives to drag out proceedings to preserve existing competitive

advantages, and the need for certain commissions to perform the conflicting statutory duties of promotion and regulation of an industry.

The report said in recent years "no attempt has been made to coordinate the activities of the various commissions and agencies," but that the proposed permanent Subcommittee "would provide a modus operandi for such constructive effort."

The Subcommittee said "effective reform of the administrative process requires teamwork between the Executive and Congress," but that "it would be tragic to have a conflict develop between the Executive and Congress over the question of which branch has supreme control over the federal agencies." The report said: "In this field it must be recognized that the agencies exercise powers delegated to them by Congress and that Congress has the constitutional responsibility of supervising and overseeing their operations. It must also be recognized that the Executive has the constitutional responsibility of seeing to the faithful performance of the laws, including the laws creating and defining the activities of the agencies. Moreover, the President has the power of appointment and budget control. Enlightened self-interest requires that these legislative and executive powers and responsibilities not be exercised as though they are in watertight compartments. Each impinges upon the other and an accommodation must be made whereby the executive and legislative powers are harmoniously exercised in the same direction, namely, the just, speedy, and efficient administration of the law for the benefit of the national public interest." The Subcommittee said it believed its proposal for a permanent Subcommittee on Federal Administrative Agencies would provide "such constructive effort with respect to matters within the jurisdiction of the House Interstate and Foreign Commerce Committee."

Congressional authority to deal with the regulatory agencies was discussed in the Dec. 21 report made by James M. Landis to President-elect John F. Kennedy, in keeping with Kennedy's request for an analysis of agency problems. Landis said since Congress by law had established the policies the agencies were supposed to follow, it had every right to investigate whether those policies were being carried out properly, but Congress had no more right to intervene in an adjudicatory proceeding than to intervene in a court case. Landis recommended creation within the Executive Office of an Office for the Oversight of Regulatory Agencies. He said the President obviously had a duty to see that the agencies were functioning properly. (1960 Weekly Report p. 2020)

### SPECIFIC FINDINGS, PROPOSALS

The report carried these findings and recommendations for the various regulatory agencies:

- **Federal Communications Commission** -- The report said enactment of the Communications Act Amendments of 1960 (PL 86-752) should go far to remedy deceptive broadcasting practices, but currently there were no assurances that program content and balance were in the public interest. It recommended legislation for federal regulation and licensing of networks, noting that, with only three major television networks and hundreds



of affiliated stations, "it is clear where the bargaining power lies." "Where restrictive conditions can be imposed by networks on their affiliates by virtue of superior economic power, it surely makes little sense to focus all responsibility and impose sanctions on the station alone," the report said. (1960 Almanac p. 356)

The report also recommended: prohibiting trafficking in broadcast licenses; study of the status of station license renewals and need for Congressional guidelines; study of how far broadcast programs' content and balance should be determined by rating services.

● **Federal Power Commission** -- The report reviewed the Corcoran case and concluded that Corcoran's "communications were in conformity with Commission practice and were sanctioned by the Administrative Procedure Act." (The Act, passed in 1946 and amended thereafter, formalized procedure for Government agencies.) "Because of the nature of the case, his actions could not and did not result in the imposition of any unfairness upon a contesting party because there was none," the report said. The report pointed out that, "from the record, it would appear that Mr. Corcoran was actually encouraged by the Commission to have ex parte contacts with it in order to expedite the granting of the certificate." "In the light of FPC policy and practice it also appears that his contacts were not extraordinary," the report said. It said the case was an "informative example of the costliness of these delays," and demonstrated that the FPC "in meeting emergencies and deadlines is acting in the public interest by having cooperative ex parte contacts with industry representatives."

Recommendations included: authorizing the FPC to suspend proposed rate increases for 18 months, instead of the current five, to give it more time to consider the cases, or to prohibit any rate increase pending conclusion of proceedings; requiring pipeline companies to keep in a reserve account funds subject to refund in the event increases were disapproved; requiring a record open to the public on rate case negotiations, including FPC reasons for approving the settlement.

● **Interstate Commerce Commission** -- The report dealt with licensing of motor carriers and recommended that the Commerce Committee give "more extended attention" to the question of moral character of applicants, and the possibility of authorizing the ICC to revoke or suspend licenses of carriers upon conviction for violations of the Motor Carrier Act. It also recommended revised handling of cases, both to reduce processing time and fix responsibility, by assigning personal responsibility to individual Commissioners for preparation of opinions.

The staff study cited instances where the ICC granted licenses to firms despite their questionable records, and also cited a case of a "highly questionable transaction" between a carrier and former ICC district supervisor. It recommended clarification of the Interstate Commerce Act to require consideration of character of applicants for licenses in connection with fitness.

● **Federal Aviation Agency** -- The report reviewed fiscal controls of the Agency, which was set up in 1959 to oversee air safety for pilots and carriers and related rulemaking procedures. It said the magnitude of the Agency's fiscal operations and the "accounting derelictions of predecessor units" required that FAA's Audit Service Branch be "immediately increased substantially," with the need mainly for able accountants.

● **Civil Aeronautics Board** -- Although the final report omitted any findings or recommendations on the CAB, the staff study was critical of inefficient, "unduly protracted" proceedings in the agency, prolonged inquiries of air crashes with findings "conditioned on the effect such findings may have on the promotion of civil aeronautics." It also said certain CAB members "as shown by official records, have been the recipients of unusual hospitality from air carriers contrary to the promulgated rules and regulations." The staff study said its inquiry into certain phases of the Board's economic regulatory power had been hampered in several cases, and that files were destroyed in one instance.

## BUDGET RECOMMENDATION

The Subcommittee report recommended legislative action to provide that when Budget Bureau requests for the regulatory agencies were sent to Appropriations Committees, they should include full disclosure of original agency requests and Bureau justifications for any modifications. The report said in this way "responsibility for any agency inadequacies traceable to budgetary causes can be placed precisely where it belongs: with the agency, the Budget Bureau, or the Congress."

## MINORITY VIEWS

Separate views on the Subcommittee report were submitted by GOP Subcommittee members John B. Bennett (Mich.), William L. Springer (Ill.), Samuel L. Devine (Ohio) and Steven B. Derounian (N.Y.). Although they criticized what they called "gross inaccuracies and false innuendo" in the staff report, they said their main objection was to "the principle" of the staff study because they were given no opportunity to determine its validity. They said they could see no reason for Corcoran "being singled out for attention" in either the staff or Subcommittee report except "for political reasons."

## RELATED DEVELOPMENTS

Jan. 9 -- The ICC announced that, effective Feb. 1, it would streamline its procedures to expedite final disposition of cases as follows: decisions by its four working divisions would be final with these exceptions: when the full Commission specifically designated a case for hearing before it; when a working division modified a previous ruling by an ICC hearing officer, or when a case originated with a working division rather than with a hearing officer. It also announced plans to set up three boards of staff employees to handle uncontested cases.

Jan. 10 -- The Securities and Exchange Commission announced that beginning Jan. 16, Chairman Edward N. Gadsby would assign to individual Commissioners responsibility for preparing decisions backing the agency's findings. In the past, the Office of Opinion Writing, staffed by attorneys, had drawn up decisions under supervision of the Commissioners. In the future, the individual Commissioners would be responsible for the decision and would have to sign it.



## PATRONAGE AVAILABLE TO KENNEDY ADMINISTRATION

The potential patronage available to the incoming Kennedy Administration amounts to about 6,000 federal jobs with a maximum annual combined salary of approximately \$54,000,000.

Many of these career service-exempt jobs, however, are currently held by persons with "status" which protects them from summary removal.

Nevertheless, the posts that are being filled by the new Administration, ranging from \$25,000-a-year Cabinet positions down to lesser jobs at \$3,000 and \$4,000, represent the sinews of political control on a national level, the means through which a new group expresses its policy.

This cadre beholden to the Administration is a fraction of total civilian federal employees who number more than 2.3 million persons. However policy decisions are made by those in exempt positions.

### Civil Service

Most federal civilian employees are hired under the U.S. Civil Service System, keystone to the federal employment program. Applicants for most federal jobs in the executive branch are given competitive examinations by the Civil Service and then a rating based on the results of the tests. Once employed, and having completed a probationary period, the employee is given status, which means he cannot be removed from his job except for "cause."

Certain agencies or departments have career merit systems of their own, rather than using Civil Service. But their systems are similar to Civil Service. The agencies include: the Tennessee Valley Authority, Atomic Energy Commission, Central Intelligence Agency, Federal Bureau of Investigation in the Justice Department, and the Foreign Service in the State Department.

### Exempt Jobs

Jobs exempt from career service systems are filled in various ways: by Presidential appointment, sometimes with and sometimes without Senate confirmation; by the agency or department where the jobs are located, or through the Civil Service System itself, which processes the applications and in some cases gives non-competitive examinations.

While the modern trend in federal government employment has been to put more and more jobs within the Civil Service System, the Eisenhower Administration in 1954 placed a number of professional and advisory positions outside the System. These fall under classifications called Schedule A, B and C, which are described below.

Congressional Quarterly has attempted to pinpoint as accurately as possible the jobs available to the Kennedy Administration for patronage -- those Civil Service-exempt or career service-exempt positions which he is likely to fill or have filled with his own appointees.

### What Is Patronage?

Webster's New International Dictionary defines patronage as follows: "The right or control of nomination to political office; also the offices, contracts, honors, etc., which a public official may bestow by favor."

Another view comes from one-time politician and Tammany Hall leader of the 15th Assembly District in New York, George Punkitt. He described patronage as follows: "First, this great and glorious country was built up by political parties; second, parties can't hold together if their workers don't get the offices when they win; third, if the parties go to pieces, the government they built up must go to pieces, too; fourth, then there'll be h--- to pay. Could anything be clearer than that?"

Principal source for CQ's study was a report by the Senate Post Office and Civil Service Committee released early in December 1960. Called "United States Government Policy and Supporting Positions", it listed all jobs in the Executive branch exempt from career merit systems -- primarily Civil Service -- as well as vacancies in the judiciary and jobs in the Legislative branch filled by Presidential appointment.

The report was a 141-page book which listed each position in the various departments and agencies, where in the country the job was located, who held it at the time the report was compiled, the salary he got, whether or not he had tenure or status and whether he was appointed directly by the President, or in some other manner.

CQ has compiled a list of all federal departments and agencies, giving the top policy positions in each and the various other posts not covered by Civil Service. A chart follows which lists the number of each category of Civil Service-exempt personnel (Presidential appointees with Senate confirmation, Presidential appointees without Senate confirmation, etc.) for each department or agency, and their subdivisions.

### Status in Exempt Jobs

When a job is under Civil Service or any other merit career or competitive system, "status" is a very specific term and means that the holder of the job cannot be removed from his job unless certain definite procedures are followed. In general, these procedures give the person the right to appeal his dismissal to a special Board of Appeals and Reviews, thus protecting him against summary dismissal.

When the position is outside of Civil Service or other career systems, the term "status" is less specific. Generally, the person with status has the protections described above, but if the job which he holds is a

policy-making or advisory one, he can be removed from the job and put in another, perhaps at a lower salary. There are two major types of status in exempt jobs -- that derived from Civil Service standing and that due veterans of the armed forces.

**Civil Service status** -- Once a federal employee has earned his status there are statutes (5 USC 652) which set down specific procedures which must be followed if he is to be removed from his job. If his job is made exempt from Civil Service while he is holding it, he continues to keep his status, thus retaining the protection which goes along with the status. Once he leaves the job for another exempt federal job, he loses his status. The procedures for removal set down by statute are as follows: the removal must "benefit the efficiency of the service," the employee must be notified in writing of his proposed removal and the specific reasons for it, the employee must be given a reasonable time in which to answer the notification and his reply must be considered by the appointing officer. Then the employee must be given a written decision containing the reasons for the action taken, and its effective date. Notice of the final decision must tell the employee he is entitled to appeal his dismissal. This appeal, however, can only be considered if the prescribed procedure was not followed, or if the dismissal was made for political or personal reasons.

**Veterans** -- The Veterans Preference Act (5 USC 863) sets up the same job-security measures for qualified veterans as described above for competitive service personnel. If his job is under Civil Service, the veteran will be covered by both the law covering civil servants and the law covering veterans. If his job is not covered by Civil Service, he gets status by virtue of the fact that he is a veteran. It is not necessary that he have held the job when it was under Civil Service. A veteran is eligible for this status when he completes one full year of current continuous service.

## Job Classifications

The Senate Civil Service Committee report put exempt employees into one of six different classifications: Presidential appointee requiring Senate confirmation; Presidential appointee not requiring Senate confirmation; positions specifically created by statute; and positions once covered by Civil Service, but which since have been removed -- called Schedule A, B or C posts.

**Presidential appointees**, with or without Senate confirmation -- These posts constitute the coveted portions of the patronage pie because they carry the most prestige and salary and are the top policy-making and advisory posts in an administration. All Cabinet and sub-Cabinet posts are filled by Presidential appointment with Senate confirmation. Other top advisory and policy-making posts are also filled by the President, some of them requiring Senate confirmation and some not. The annual salary for some of these jobs ranges between \$17,000 and \$25,000, some are part-time and others carry no salary.

There are 827 positions throughout the Government filled by Presidential appointment with Senate confirmation and 379 filled by Presidential appointment alone. Most of those who hold these jobs serve at the pleasure of the President and resign when a new administration takes office. Some, however, are appointed for specific terms and cannot be removed from office except for

cause. The most notable of this group are members of the regulatory commissions who are appointed for terms of from five to seven years.

**Positions specifically created by statute** -- These posts were created to fill specific functions and are outside of civil service. For example: When Congress created the Council of Economic Advisers it also created 10 posts to be filled by experts, nine economists and one statistician. They are professionals needed for the operation of the office. Those who hold these jobs may or may not have status because they are veterans. If they do, the procedure described above applies. If not, they can be replaced. Some in these statute-created posts resign when a new administration takes over. There are 887 of these posts throughout the Federal Government.

**Scheduled posts** -- Scheduled jobs, once under civil service, but since exempt, were authorized in the Eisenhower Administration by Executive Order 10577 of Nov. 22, 1954. Jobs are placed in one of the three schedules -- A, B or C -- by the Civil Service Commission on the recommendation of the agency in which the job is located, provided the Commission finds the transfer is justified.

● **Schedule A posts** are ones for which there is neither a competitive nor non-competitive examination. Nor are they advisory or policy-making. Government attorneys generally are classified under Schedule A because their examination is prohibited by Congress. There currently are 1,262 persons in the Government holding Schedule A jobs.

● **Schedule B jobs** are ones for which a non-competitive examination is given to determine whether a person is professionally qualified. These jobs, like Schedule A posts, are not advisory or policy-making ones. All the bank examiners in the Treasury Department, for example, are Schedule B employees. There is a total of 1,660 such jobs in the Federal Government.

● **Schedule C posts** are either policy-making ones or their holders have a confidential working relationship with a top policy official. There are 1,206 Schedule C posts and many of those who currently fill them will leave their jobs as the Kennedy Administration takes over.

All those who hold Schedule A, B or C posts are exempt from Civil Service and therefore do not automatically have status like civil servants do. They may, however, have status for other reasons described above -- because they held the job when it was under Civil Service or because they are veterans. The rule of thumb on whether or not they may be removed from their jobs depends upon what sort of status, if any, they have. Any schedule employees may be removed by an Administration if they do not have status.

## Traditional Patronage Jobs

The U.S. Civil Service System was set up in 1871 (5 USC 631) and since that date the percentage of federal jobs open to patronage has steadily declined. Many of the traditional patronage jobs are no longer available for doling out to the party faithful. Where jobs are filled on a patronage basis, the Congressmen representing the area in which the job is located are usually consulted. Following is a brief discussion of the traditional patronage jobs and the way they currently are handled:

● **Customs collectors** -- Stationed at ports of entry into the United States, the customs collectors are responsible for supervising the checking of all persons and their



baggage entering into the country. They are paid between \$7,000 and \$13,000 a year and are appointed by the President with the consent of the Senate, for four-year terms, although when a new President enters the White House, they traditionally resign. In the Bureau of Customs in the Treasury Department there are 45 customs collectors, six comptrollers of customs, one appraiser of merchandise and one surveyor.

• U.S. Attorneys and U.S. Marshals -- Serving under the jurisdiction of the Justice Department, the 182 U.S. Attorneys and U.S. Marshals are appointed for four-year terms, but, like customs collectors, serve only at the pleasure of the President. They are appointed by him with the consent of the Senate and get between \$8,000 and \$20,000 a year. There are 91 judicial districts in the country and there is one U.S. Attorney and one U.S. Marshal for each district. These men serve as law enforcement arms of the Justice Department.

• Judgeships -- Federal judges are appointed by the President with the consent of the Senate for life terms and cannot be removed except for cause. Currently, there are two vacancies on the Court of Appeals -- the 7th and 8th Circuits -- and seven vacancies on District Courts -- Southern California, Southern Florida, Hawaii, Northern Illinois, Oklahoma, Southern Texas and Western Virginia. A circuit judge gets \$25,000 and a District judge \$22,500. Congress in 1961 can be expected to create between 25 and 35 new federal judgeships, something it considered but did not do, in 1960. (1960 Almanac p. 84)

• Legislative branch -- There are a number of positions in the Legislative branch which are filled by the President. Most of the jobs on Capitol Hill, however, are filled by Senators and Representatives, either on their own staffs, committee staffs or custodial jobs such as policeman or elevator operator. These are the jobs the President fills with Senate confirmation: Architect of the Capitol, \$19,000; Comptroller General, \$22,500, and Assistant Comptroller General, \$20,500, in the General Accounting Office; Public Printer of the Government Printing Office, \$20,000; Librarian of Congress, \$20,000. In addition, there are two Schedule C positions in the GAO, Administrative Assistant to the Comptroller General and Private Secretary to the Comptroller General; and one position, chief indexer, in the GPO created by statute.

#### Postmasters

Postmasterships once were filled exclusively by patronage, but a 1938 law made first-class, second-class and third-class postmasterships life-time appointments and set up a system for examining prospective postmasters. The Civil Service currently examines qualified individuals for a particular postmastership and then the President appoints one of the three top applicants.

There are approximately 46,000 postmasterships of which 23,000 are filled by Presidential appointment with Senate confirmation. The remaining are fourth-class postmasterships and are filled by the Postmaster General. Currently, there are about 3,000 acting postmasters in the three top classes who have not yet been confirmed by the Senate. Theoretically, Mr. Kennedy could withdraw these nominations and nominate, in each case, one of the other two top applicants who originally qualified for the job. There were no vacancies as of Jan. 16.

## Regulatory Agencies

When he takes office, Mr. Kennedy gains party and chairmanship control of all but two of the seven major regulatory agencies. Vacancies make this possible. Some of the vacancies have been filled by President Eisenhower with recess appointments but these can be withdrawn by Mr. Kennedy and replaced by his choices.

Were it not for the vacancies, it might have been several years before Mr. Kennedy could have appointed men of his own choosing to the regulatory agencies, which have far-reaching control over the Nation's economy.

The regulatory bodies are independent agencies of the Federal Government which have administrative and quasi-judicial authority in specified fields. Their members are appointed by the President with the consent of the Senate. Six of them consist of boards from 5 to 11 members serving terms from five to seven years. The Federal Aviation Agency is headed by an administrator who serves an indefinite term at the pleasure of the President, as does the deputy administrator of FAA. Chairmen of the other agencies serve as chairmen at the pleasure of the President, although their terms as members are for a set number of years.

Laws establishing the commissions permit the President to fill the vacancies as they occur, but the number of Democrats or the number of Republicans can never be more than a simple majority of the total number of commissioners. Once Mr. Kennedy has filled existing vacancies or replaced Eisenhower recess appointments with his own, Democrats will be in a majority of all of the commissions except the Federal Power Commission and the Federal Communications Commission. Following is a breakdown of the six commissions and the number of Democrats, Republicans and vacancies on each (for a description of the functions of the commissions, see p. 8)

Civil Aeronautics Board -- Five members appointed for six-year terms; currently two Democrats, two Republicans and one vacancy.

Federal Communications Commission -- Seven members appointed for seven-year terms; currently two Democrats, three Republicans, one independent and one vacancy.

Federal Power Commission -- Five members appointed for five-year terms; currently one Democrat, three Republicans and one vacancy.

Federal Trade Commission -- Five members appointed for seven-year terms; currently two Democrats, one Republican and two vacancies.

Interstate Commerce Commission -- Eleven members appointed for seven-year terms; currently four Democrats, five Republicans and two vacancies.

Securities and Exchange Commission -- Five members appointed for five-year terms; currently one Democrat, two Republicans and two vacancies.



## JOBS, FUNCTIONS OF EVERY MAJOR FEDERAL AGENCY

In the following pages, Congressional Quarterly has listed each of the major departments, agencies and independent offices in the Federal Government. The functions of each office are described briefly, and top patronage positions -- those filled by Presidential appointment with Senate confirmation -- and salaries paid to their current holders are given. This list is comparable to the charts that follow, giving a complete breakdown of all the current positions in each federal office exempt from the Civil Service according to the type of position, those filled by persons with status and the total salaries paid within each category. The headings below are the same as those listed on the chart. Where an office listed on the chart was broken down into subdivisions, they are underlined.

### Executive Office of the President

The Executive Office of the President consists of eight major groups or councils, foremost of which is the White House staff. Of the 379 appointments which the President can make throughout the Executive Branch without Senate confirmation, 47 are to positions in the Executive Offices.

The White House staff is hand-picked by the President to help him in the operation of his own office. It facilitates and maintains communications with Congress and its individual Members, heads of federal departments and agencies, the press and the general public. In the Eisenhower Administration there were 25 persons on the White House staff, all appointed by the President. Heading the list was the Assistant to the President who received an annual salary of \$22,500. The Special Assistant to the President for National Security Affairs and the Deputy to the President received \$22,000. The Deputy Assistant to the President for Congressional Affairs, Deputy Assistant to the President for Interdepartmental Affairs, two Secretaries to the President, the Special Assistant to the President and the Special Counsel to the President each received \$21,000. Two Administrative Assistants to the President and two Special Assistants to the President each received \$20,000. The Associate Special Counsel to the President and the Secretary to the Cabinet each received \$17,500. A "Special Projects" group, with three exceptions, worked on a per diem basis or without compensation. The three: a Special Assistant to the President who received \$22,000 and a second Special Assistant who received \$20,000 and a Special Assistant to the President for Personnel Management who received \$20,500. The others: a Deputy Special Assistant to the President, three Special Assistants to the President and three Special Consultants to the President. The total annual salaries paid to the White House staff is approximately \$370,000.

The Budget Bureau assists the President in the preparation and the administration of the federal budget and is the President's staff for the improvement of management and organization in the executive branch, financial management and accounting systems in the federal agencies, clearance of legislative proposals made by the federal agencies and coordination and improvement of federal statistical functions. There are 11 positions in the Budget Bureau outside of Civil Service receiving a total in annual salaries of approximately \$144,000. Two of these positions are filled by Presidential appointment, the Director and Deputy Director who receive annual

salaries of \$22,500 and \$20,000 respectively, and the remaining nine are Schedule C positions.

The three-man Council of Economic Advisers assists the President in preparing his annual economic report, studies and appraises national economic developments and trends, develops and recommends national economic policies and furnishes studies and reports relating to federal economic policy and legislation. There are 16 positions on the Council not covered by Civil Service and three of them are Presidential appointments requiring Senate confirmation. These are the chairman who receives a salary of \$20,500 and two members who are paid \$20,000 each. The 16 receive an aggregate annual salary of approximately \$223,000.

The National Security Council advises the President on matters concerning national security and evaluates the objectives, commitments and risks of the United States in relation to the country's actual and potential military power. It also considers policies on matters of common interest to the departments and agencies concerned with the national security and makes recommendations to the President on these matters. It consists of an executive secretary, who is paid \$20,000 a year and is appointed by the President without Senate confirmation; his staff and five subdivisions as follows: the Operations Coordination Board, the Administrative Office, the Policy Coordinating Staff, the Internal Security Coordinating staff and the Research and Intelligence Liaison staff. The three members of the Operations Coordination Board are appointed by the President without Senate confirmation and serve without compensation. There are 79 Civil Service-exempt positions in NSC and their aggregate annual salary amounts to approximately \$684,000.

The Central Intelligence Agency is responsible for coordinating the intelligence activities of federal departments and agencies in the interest of national security. It advises the NSC, makes recommendations to it and correlates and evaluates intelligence received by the various agencies. Only two positions in CIA are subject to direct appointment by the President and both require Senate confirmation. They are the Director who receives \$21,000 a year and the Deputy Director who gets \$20,400.

The National Aeronautics and Space Council advises the President on policies, plans, programs, accomplishments and developments in space activities of the various agencies. The Council consists of 9 members (one of them the President) and one executive secretary. The members, five of whom hold other posts in the Government, serve without compensation. The executive secretary receives an annual salary of \$20,000 and is appointed by the President and confirmed by the Senate.

The Office of Civil and Defense Mobilization coordinates and directs all civil defense and defense mobilization activities of the Federal Government. In OCDM there are 63 positions not under Civil Service for which an aggregate annual salary of approximately \$721,000 is paid. Of these, 12 positions are filled by Presidential appointment without Senate confirmation and five require Senate approval. Twelve of the total serve without compensation or on a per diem basis. Top man in OCDM is the director who gets \$25,000 a year. The deputy director gets \$21,000 and three assistant directors get \$20,000.

The President's Advisory Committee on Government Organization advises the President and his staff

on economy and efficiency changes in the organization of the Executive branch. A chairman and two associate members serve without compensation and are appointed by the President without Senate confirmation.

## State Department

The State Department, through its Secretary, is the President's chief advisor on matters of foreign policy. Its primary responsibility is the initiation and implementation of foreign policies, but it also evaluates the effect of domestic conditions on the Nation's foreign policies and coordinates the activities of other federal agencies which affect foreign relations. In the State Department there are 496 positions that are not under Civil Service or the Foreign Service career program, the Department's equivalent to the Civil Service. The aggregate annual salary for the 496 positions is \$5,980,000. Within the State Department there are the following subdivisions:

The Office of the Secretary is the Secretary of State's administrative unit. Directly subordinate to the Secretary of State, who gets an annual salary of \$25,000, is an Under Secretary of State, \$22,500, and an Under Secretary of State for Political Affairs and an Under Secretary for Economic Affairs, each of whom are paid \$22,000. Also in the Secretary's office there are two Deputy Under Secretaries of State, one for Political Affairs and the other for Administration, who are paid \$20,500 each, 11 Assistant Secretaries, a Counselor for the Department and a Legal Advisor, all of whom are paid \$20,000. All the above officials are appointed by the President with the consent of the Senate. Additional sub-offices of the Secretary's office include: Bureau of Educational and Cultural Affairs, Foreign Service Institute, U.S. Mission to the United Nations, offices of the Under, Deputy and Assistant Secretaries, Bureau of Intelligence and Research, Bureau of International Cultural Relations and Bureau of Security and Consular Affairs. The total number of positions in the Secretary's office exempt from career service programs is 239; the aggregate annual salary is approximately \$2,985,000.

The International Cooperation Administration conducts the mutual security programs, except those which provide military assistance, and certain foreign agricultural programs. Specifically, it conducts the following: defense support, technical cooperation, special assistance. The Director and three Deputies are appointed by the President with the consent of the Senate. The Director is paid \$21,000, the Deputy Director \$20,000 and the Deputies for Management and for Operations each \$19,000. All told, there are 55 positions in the ICA not covered by career service programs. The aggregate annual salary paid for these positions is about \$737,000.

The Foreign Service constitutes that branch of the State Department subject to overseas assignment. Ambassadors are the only Foreign Service personnel not covered by the Department's career system. There are 91 of them and they are all appointed by the President with the consent of the Senate. Ambassadors are paid between \$20,000 and \$27,000 a year which, at a minimum, amounts to an aggregate of \$1,820,000 annually. Currently, 60 ambassadors are career foreign service and presumably will be given other assignments if their routine resignations are accepted by President-elect Kennedy. If eligible, they could be asked to retire.

There are approximately 40 International Organizations on which the United States is represented by one or more members. There are 111 exempt positions, all

appointed by the President; 42 require Senate confirmation. Sixty-four serve without compensation on a per diem basis. The aggregate salary for the 111 positions is \$438,000. The organizations are: Inter-American Development Bank; International Conference on the Peaceful Uses of Atomic Energy; International Bank for Reconstruction and Development; International Monetary Fund; Inter-American Conference; Organization of American States; Inter-American Economic and Social Council; American International Institute for the Protection of Childhood; Pan American Railway Congress; International Boundary Commission (U.S. and Canada); International Joint Commission (U.S. and Canada); International Pacific Halibut Commission; International Commission for Northwest Atlantic Fisheries, International North Pacific Fisheries Commission; Great Lakes Fisheries Convention; North Pacific Fur Seal Commission; Commission for the Conservation of Shrimp in the Eastern Gulf of Mexico; Intergovernmental Committee for European Migration; South Pacific Commission; Caribbean Commission; International Whaling Commission; International Boundary and Water Commission; International Civil Aviation Organization Council; North Atlantic Treaty Organization; Italian-U.S. Conciliation Commission; Inter-American Cultural Council; International Labor Organization; International Telecommunications Union; and approximately 12 councils associated with the United Nations.

## Treasury Department

The Treasury Department manages the Nation's finances. It advises the President on national policies affecting the country's economy and sends recommendations concerning fiscal policies to Congress. There are in the Department 1,238 non-Civil Service employees who are paid an aggregate annual salary of approximately \$9,639,000. The subdivisions of the Treasury Department are as follows:

The Office of the Secretary is responsible for the effective administration of all aspects of the Department. The Secretary gets \$25,000 a year, the two Under Secretaries, one specifically responsible for Monetary Affairs, get \$21,000 each, the three Assistant Secretaries each get \$20,000, as does the General Counsel, and the Assistant General Counsel gets \$19,000. All of these appointments require Senate confirmation. All told, there are 47 non-Civil Service employees in the Office of the Secretary who get an aggregate salary of about \$683,000. Also included within the Office of the Secretary are 14 other Presidential appointments which require Senate confirmation. They are the Commissioner of Internal Revenue, 11 officers of the Bureau of the Mint, the Commissioner of the Narcotics Bureau and the Treasurer of the United States.

The Customs Bureau is responsible for administering regulations controlling the imports and exports. Its principal duty is the collection of import duties and the prevention of smuggling, but it also handles the registry and licensing of vessels. There are in the Bureau 53 customs collectors or similar jobs, under a Commissioner whose appointments by the President must be confirmed by the Senate. The collectors get salaries ranging from \$7,000 to \$13,000. Their appointments are for four years, but they serve only at the pleasure of the President and can be asked to resign at any time.

The Savings Bonds Division promotes the sale of U.S. savings bonds. It consists of 225 non-Civil Service

employees who get an aggregate annual salary of about \$2,191,000. All but one of these employees are classified under Schedule A and are state directors, or their deputies. The one, a Schedule C Employee, is the national director located in Washington.

The Office of the Comptroller of Currency is an integral part of the national banking system and its functions relate to the organization, operation and liquidation of national banks. There are 910 non-Civil Service employees within the office, 909 of whom are classified under Schedule B. The other is the Comptroller of Currency who is appointed by the President with the confirmation of the Senate and paid a salary of \$20,500. The Schedule B employees are examiners or assistant examiners and receive salaries ranging from approximately \$5,000 to \$12,000 a year. Their aggregate annual salary is about \$6,081,000.

## Defense Department

The Defense Department is responsible for the strategic direction of the armed forces and for their operation under unified control. Within the Department there are 182 non-Civil Service or non-military employees getting an aggregate annual salary of approximately \$1,767,000.

The Office of the Secretary consists of the Secretary, who gets \$25,000, and 10 additional Presidential appointees who must be confirmed by the Senate. They are: Deputy Secretary; Director of Defense Research and Engineering; Assistant Secretaries for Health and Medicine, International Security Affairs, Manpower and Personnel and Reserve; Properties and Installations; Public Affairs; Supply and Logistics; an Assistant Secretary who is Comptroller; and a General Counsel. Also in the office of the Secretary are the Court of Military Appeals -- three Presidential appointees requiring Senate confirmation -- the President's Board of Actuaries, and the Office of Special Operations. There are 76 non-Civil Service or non-military positions in the Office getting an aggregate annual salary of about \$945,000.

The Army Department is responsible for the organization, training and equipping of land forces combat operations. It is headed by the Secretary of the Army who gets an annual salary of \$22,000. His confirmation, like that of his Deputy and three Assistant Secretaries, must be confirmed by the Senate. They each get \$20,000 a year. There are seven other positions, all requiring Senate confirmation, on the Mississippi River Commission in the Army Corps of Engineers. There are 46 non-Civil Service or non-military employees in the Army Department getting an aggregate annual salary of about \$394,000.

The Navy Department is responsible for the Nation's defense where sea operations are involved. It consists of three parts: the operating forces, the administrative offices and the shore establishment. Heading the Department is the Secretary of the Navy who gets a salary of \$22,000. There is one Under Secretary and three Assistant Secretaries who get \$20,000 each. All of these appointments must be confirmed by the Senate. Within the Navy Department there are 29 non-Civil Service or non-military personnel getting an aggregate annual salary of approximately \$237,000.

The Air Force Department is responsible for the organization, training and equipment of air combat and service operations. There are five appointments in this Department that must be confirmed by the Senate: the Secretary, annual salary \$22,000; the Under Secretary,

salary \$20,000; Assistant Secretary for Financial Management, salary \$20,000; Assistant Secretary for Materiel, salary \$20,000; and Assistant Secretary for Research and Development, salary \$20,000. The aggregate annual salary of the 34 non-Civil Service or non-military Air Force personnel is about \$191,000.

## Justice Department

The major purposes of the Justice Department are to provide means for the enforcement of federal laws, furnish legal counsel in federal cases and construe the laws under which other Departments act. In the Justice Department there are 1,167 non-Civil Service employees getting an aggregate annual salary of about \$3,903,000. The principal subdivisions of the Department are as follows:

The Office of the Attorney General which handles the administrative functions of the Department and advises the President on legal matters relating to the operation of the Government. The Attorney General gets \$25,000 a year, his Deputy \$21,000 and the Solicitor General \$20,500. Their appointments must be confirmed by the Senate as must those of seven Assistant Attorneys General -- Antitrust, Civil, Civil Rights, Criminal, Internal Security, Legal Counsel and Tax -- and the Commissioner of the Immigration and Naturalization Service, all of whom get \$20,000 a year. There are 27 non-Civil Service positions in the Attorney General's office for which an aggregate salary of about \$387,000 is paid annually.

The Board of Parole consists of eight members, appointed by the President with Senate confirmation, who have the sole authority to grant, modify or revoke the paroles of all U.S. prisoners. It is also responsible for paroled prisoners. Their total annual salaries come to about \$140,000.

U.S. Attorneys, U.S. Marshals and their assistants carry out the Department's enforcement policies in 91 districts throughout the country. The U.S. Attorneys and U.S. Marshals are appointed by the President with the consent of the Senate for four year terms, but serve only at the pleasure of the President. There are 91 Attorneys and 91 Marshals and they are paid annual salaries ranging from \$8,000 to \$20,000. All told, there are 853 non-Civil Service employees in the Office of the U.S. Attorney and the U.S. Marshal getting aggregate annual salaries of about \$2,993,000.

Other subdivisions of the Justice Department include the Federal Prison Industries Inc. and the Board of Advisors for the Federal Reformatory for Women who serve without pay, the divisions of the Assistant Secretaries, the Lands Division, Office of Alien Property, Immigration and Naturalization Service, Board of Immigration Appeals, Bureau of Prisons. In these categories there are 279 non-Civil Service employees getting aggregate annual salaries of about \$383,000.

## Post Office Department

The Post Office Department was originally set up only to transport letters throughout the country, but subsequent expansions authorized the issuance of postage stamps, carrying of registered mail, the sale of money orders -- both domestic and foreign -- and postal saving plans. There are in the Department 67 non-Civil Service employees who get aggregate annual salaries of



approximately \$703,000. The subdivisions of the Department include:

The Office of the Postmaster General which is responsible for the administration of the Department. The Postmaster General gets an annual salary of \$25,000; the Deputy Postmaster, \$21,000, and five Assistant Postmasters General and the General Counsel each get \$20,000. All the appointments require Senate confirmation. The Assistants are in charge of the following Bureaus: Operations, Transportation, Finance, Facilities, and Personnel. The 29 non-Civil Service personnel within the Office of the Postmaster get an aggregate annual salary of approximately \$329,000. There are, in addition, seven Advisory Board members whose nominations require Senate confirmation and who are paid at the rate of \$50 a day while actually employed in advising on Post Office problems.

Other sections of the Department, in addition to the offices of the Assistant Secretaries, consist of regional operations offices. These are all Schedule A employees while the personnel in the offices of the Assistant Secretaries are Schedule C personnel. The 38 non-Civil Service personnel in these several groups are paid annual aggregate salaries of approximately \$374,000.

### Interior Department

The Interior Department is responsible for most of the public property in the United States -- lands, certain buildings, natural resources -- and related areas such as the American Indian reservations. There are in the Department 128 non-Civil Service employees getting approximately \$1,638,000 in aggregate annual salaries. The Department includes:

The Office of the Secretary administers the Department and advises the President in the areas over which it has responsibility. The Secretary of the Interior gets \$25,000, the Under Secretary \$21,000 and the four Assistant Secretaries and the Solicitor \$20,000 each. They are all appointed by the President with the consent of the Senate. The offices of the Assistant Secretaries are: Water and Power, Mineral Resources, Public Land Management and Fish and Wildlife. In addition, directly responsible to the Secretary, there are six other positions the appointees for which must be confirmed by the Senate. They are the Commissioner of Fish and Wildlife, Director of the Geological Survey, Commissioner of Indian Affairs, Director of the Bureau of Mines, the Governor of Guam and the Governor of the Virgin Islands. The salaries of the Governors are \$19,000; of the others \$18,500. Seven high ranking officers in the Department do not have to be confirmed by the Senate -- Commissioner of Reclamation, High Commissioner of the Trust Territory, Secretary of Guam, Government Secretary of the Virgin Islands and three members of the Board of Directors of the Virgin Islands Corp. The Board members serve without compensation; the others get salaries ranging from \$13,730 to \$19,000.

Other offices in the Department include the Office of Coal Research, Bonneville Power Administration, the Geological Survey, the Bureau of Indian Affairs, the Southwestern Power Administration, Southeastern Power Administration, National Park Service, Bonneville Power Administration, and the President's Council on Youth Fitness. The 44 non-Civil Service employees in the Office of the Secretary get an aggregate annual salary of approximately \$615,000 and the 84 in other divisions get a total of about \$1,023,000.

### Agriculture Department

Law requires the Agriculture Department to acquire and diffuse useful information on agricultural subjects. In order to do this the Department conducts research in crop and livestock production, farm management, pest control, soil and water conservation, forestry and other related areas. The Department also administers various federal farm programs. Non-Civil Service employees in the Department number 624. They are paid an aggregate annual salary of approximately \$3,604,000. The divisions of the Department include:

The Office of the Secretary, which administers the Department, the head of which gets an annual salary of \$25,000. The Under Secretary is paid \$21,000 and the three Assistant Secretaries and the General Counsel \$20,000 each. Their appointments must be confirmed by the Senate. The 28 non-Civil Service employees in the Office of the Secretary get an aggregate annual salary of about \$361,000.

The Farmers Home Administration provides credit for the purchasing of farms for certain farmers who cannot get reasonable financing elsewhere. In this division there are 308 non-Civil Service employees -- some in every state -- who get an aggregate annual salary of approximately \$133,000. The Administration is headed by an Administrator whose appointment must be confirmed by the Senate and who gets a salary of \$17,500. Seven of the personnel are Schedule C and 300 are Schedule A.

The Agricultural Stabilization and Conservation Committees are the groups which carry out the Department's conservation programs. These programs include the conservation of cropland, pasture and range, forests and agricultural water. These committees offer 151 Schedule A appointments with an aggregate annual salary of \$1,683,000.

Other divisions of the Department include the Rural Electrification Administration, the Administrator of which gets \$20,000 and must be confirmed by the Senate; the Commodity Credit Corp., whose five Advisory Board members appointed by the President without Senate confirmation get \$50 a day while actually employed; and the National Agricultural Advisory Commission whose 18 members serve without compensation. In addition there are the Foreign Agricultural Service and the Agricultural Market Service. Together, these groups employ 137 non-Civil Service personnel who get an aggregate annual salary of \$1,427,000.

### Commerce Department

The Commerce Department is responsible for foreign and domestic commerce, the manufacturing and shipping industries and U.S. transportation facilities. The 165 non-Civil Service employees in the Department get annual salaries totaling \$2,078,000. Its subdivisions include:

The Office of the Secretary with 54 exempt employees who are paid an aggregate annual total of about \$673,000. The Secretary is paid \$25,000, the Under Secretary \$21,000 and the Under Secretary for Transportation \$21,000. The three Assistant Secretaries and the General Counsel are paid \$20,000 each. All of these appointments must be confirmed by the Senate.

Other subdivisions in the Department include the Census Bureau, Century 21 Exposition (to be held in Seattle in 1961-62), Coast and Geodetic Survey, Federal



Maritime Board, National Bureau of Standards, Patent Office, Bureau of Public Roads, Weather Bureau, Business and Defense Services Administration, Bureau of Foreign Commerce and Defense and Transportation Administration. The total of non-Civil Service employees in these subdivisions is 111. They are paid an aggregate annual salary of about \$1,405,000. Twenty-nine are appointed by the President with Senate confirmation and are paid between \$17,310 and \$20,000 a year. They are: Director of Census; Commissioner of Century 21 Exposition; Director and Assistant Director of Coast and Geodetic Survey; three members of the Federal Maritime Board; Director of the National Bureau of Standards; a Commissioner, First Assistant Commissioner, two Assistant Commissioners and 15 Chief Examiners of the Patent Office; Federal Highway Administrator and Chief of the Weather Bureau.

## Labor Department

The Labor Department is charged with administering and enforcing statutes pertaining to wage earners. There are in this Department 92 employees exempt from the Civil Service getting an aggregate annual salary of about \$989,000. The Department's subdivisions include:

The Office of the Secretary responsible for administering the Department and headed by the Secretary whose annual salary is \$25,000. The Under Secretary is paid \$21,000 and the three Assistant Secretaries \$20,000 each. All are appointed by the President and must be confirmed by the Senate. There are 29 exempt employees in the Office of the Secretary getting a total of about \$353,000 a year.

Other offices in the Department include the Office of the Solicitor, Bureau of Labor Statistics, Wage and Hour and Public Contracts Divisions, Women's Bureau, Bureau of Apprenticeship and Training, Employment Security Bureau, Office of International Labor Affairs, Veterans' Reemployment Rights Bureau, Employees' Compensation Bureau, Labor-Management Reports Bureau, and Government Contracts Committee. In these subdivisions there are 63 non-Civil Service employees getting an aggregate annual salary of approximately \$636,000. Four appointees must be confirmed by the Senate. They are the Solicitor, Commissioner of Labor Statistics, Administrator of the Wage and Hour Division and the Director of the Women's Bureau. They get from \$17,310 to \$20,000 a year.

## Health, Education and Welfare

HEW was established in order to improve the administration of Government agencies concerned with the general welfare in the areas of health, education and Social Security. It has 76 Civil Service exempt employees who get an aggregate annual salary of \$784,000. It consists of:

The Office of the Secretary which administers the Department's programs and is headed by the Secretary who gets \$25,000 a year. The Under Secretary gets \$21,000, and the two Assistant Secretaries, the Special Assistant for Health and Medicine and the General Counsel each get \$20,000. They are all appointed by the President and confirmed by the Senate. The 19 exempt employees in the Office get an aggregate annual salary of \$284,000.

Other offices within HEW are the Office of Education, Public Health Service, Social Security Administration, the Office of Vocational Rehabilitation and the Children's Bureau. These offices have 57 exempt employees who are paid a total annual salary of approximately \$500,000. Fourteen positions require Senate confirmation: the Commissioner of Education, Surgeon General, 10 members of the Board of Regents of the National Library of Medicine, the Social Security Commissioner and the Chief of the Children's Bureau. Salaries for these positions run from \$18,500 to \$20,000. The Board members get \$50 a day while actually employed.

## Independent Agencies

### AMERICAN BATTLE MONUMENTS COMMISSION

Its purpose is to administer World I U.S. national cemeteries and memorials in Europe, prepare plans for the construction of appropriate monuments within and outside the United States to battles in which Americans have served and to supervise and maintain all of these monuments. The Commission consists of 11 members appointed by the President. All serve without compensation.

### ATOMIC ENERGY COMMISSION

The AEC confers and acts on matters of policy, and administration relating to the Nation's atomic energy program. It consists of 16 Civil Service-exempt employees getting an aggregate annual salary of about \$230,000. There are five members on the Commission who are appointed by the President with Senate confirmation. Four members get \$22,000 apiece. The chairman gets \$22,500. Each is appointed for five years. Currently there is one vacancy on the Commission. The 11 remaining exempt personnel are made up of the Chairman of the Military Liaison Committee whose appointment must be confirmed by the Senate and who gets \$20,000; the General Advisory Committee whose nine members do not have to be confirmed by the Senate and who are paid \$100 a day while actually employed; and the secretary of the Labor-Management Relations Panel whose seven part-time members are paid \$75 a day.

### CANAL ZONE GOVERNMENT

The Government is charged with civil administration of the Canal Zone. It is under the supervision of the Secretary of the Army. The Governor is a Presidential appointee who must be confirmed by the Senate. His term is for four years and he is paid \$19,000 a year. The General Agent of the Steamship Division of the Panama Canal Co. is the only other member of the Government who is exempt from the Civil Service and he is paid \$13,400.

### CIVIL AERONAUTICS BOARD

The CAB is one of the seven major regulatory agencies. It is charged with regulation of civil aviation. There are five Board members who are paid \$20,000 each, except for the Chairman who is paid \$20,500. They are appointed for six years. Currently there is one vacancy. The appointments of the Board members must be approved by the Senate. In addition, the Office of the

Secretary of the Board has 20 exempt positions whose occupants get a total of about \$242,000 a year.

#### COMMISSION OF FINE ARTS

The Commission is the official advisory body of the Federal Government on matters of art and makes recommendations concerning the erection of public statues and monuments. The seven commissioners are appointed by the President without Senate confirmation and serve without compensation. Their term of office is four years.

#### DEVELOPMENT LOAN FUND

The DLF was established to assist the efforts of free people abroad to develop their economic resources and increase their productive capabilities. The DLF has five positions exempt from the Civil Service. The Managing Director, whose appointment must be confirmed by the Senate, is paid \$20,000. He has four assistants who are Schedule C employees. The aggregate annual salary paid to all five employees is approximately \$78,000.

#### DISTRICT OF COLUMBIA

The District of Columbia, seat of the Federal Government, is run by the U.S. Congress and various Presidential appointees. A Board of three Commissioners administers the District government. Each is paid \$19,000 a year. Their appointments must be confirmed by the Senate and their terms are for three years. The Municipal Court of Appeals has three judges whose appointments must be confirmed by the Senate and whose terms run for 10 years. The chief judge is paid \$19,000 and the associate judges \$18,500 each. The Municipal Court has a chief judge paid \$18,000 and 15 associate judges paid \$17,500. The judge of the juvenile court is paid \$17,500, the two public utilities commissioners \$16,295 and the two members of the board of directors of the Redevelopment Land Agency \$20 per day while actually employed. All must be approved by the Senate. In addition, the fire department and police and fire clinics have 10 medical officers. They are included under Schedule B. All told, there are 37 positions in the District government exempt from the Civil Service, the holders of which get an aggregate annual salary of \$540,000.

#### EXPORT-IMPORT BANK

The Bank helps to finance and facilitate exports and imports between the United States and any foreign country. The policy of the Bank is to supplement rather than compete with private capital and loans generally are made for specific purposes and offer reasonable assurance of repayment. There are 21 Civil Service-exempt employees in the Bank who get an aggregate annual salary of about \$292,000. The president and chairman gets \$21,000, the first vice president \$20,500 and three directors \$20,000 each. All five are appointed by the President with the consent of the Senate.

#### FARM CREDIT ADMINISTRATION

The FCA supervises and coordinates a cooperative credit system for agriculture providing long- and short-term credit to farmers and cooperative marketing, purchasing and business service organizations. There are 23 non-Civil Service employees in FCA getting an aggregate annual salary of about \$163,000. There are 12 members of the Federal Farm Credit Board who formulate the

administration's policy. They are appointed by the President with the consent of the Senate and receive \$50 a day while actually employed. The staff consists of a Governor who gets \$21,000 a year and 10 Schedule C employees.

#### FEDERAL AVIATION AGENCY

The FAA is responsible for regulating air commerce, developing civil aeronautics, controlling the use of navigable air space for both military and civil air operations. It was established in 1958 and consolidated the Civil Aeronautics Administration and the Airways Modernization Board. There are six Civil Service-exempt employees in the FAA who are paid an aggregate annual salary of about \$95,000. Two of the six are appointed by the President with Senate confirmation -- the Administrator who gets \$22,500 and the Deputy Administrator who gets \$20,500.

#### FEDERAL COAL MINE SAFETY BOARD OF REVIEW

The Board was established by the Coal Mine Safety Act of 1952 and is a quasi-judicial administrative agency which considers applications by coal mine operators for relief from orders by the Bureau of Mines. The Board consists of three members who are appointed by the President with Senate confirmation for a term of three years. They are paid at \$50 per diem. There are two staff members whose exempt positions were created by the Act and they are paid \$13,730 a year each.

#### FEDERAL COMMUNICATIONS COMMISSION

The FCC, one of the major regulatory agencies, is responsible for regulating the interstate and foreign commerce of wire and radio communications. The Commission consists of seven members appointed by the President with the consent of the Senate for seven-year terms. The Chairman is paid \$20,500 and the other six members are paid \$20,000. Currently one member of the Commission is serving on a recess appointment. In addition to the Commissioners, there are 23 staff members who are exempt from Civil Service and who get an annual aggregate salary of about \$334,000.

#### FEDERAL DEPOSIT INSURANCE CORP.

FDIC insures the deposits of certain banks making payments to their depositors when the banks are closed without sufficient funds to meet the accounts. FDIC also is supposed to promote safe and fiscally sound banking practices. There are 29 Civil Service-exempt employees in the Corporation who get an aggregate annual salary of approximately \$192,000. Three of the employees are appointed by the President with Senate confirmation -- the chairman and two directors. The chairman gets \$20,500 and the directors \$20,000 each. In the office of the chairman there are four Schedule C employees and 22 Schedule A employees in the Divisions of Liquidation and Examination.

#### FEDERAL HOME LOAN BANK BOARD

The Federal Home Loan Bank System provides credit reserve for savings and home-financing institutions. The Board, the System's administrative and policy making arm, consists of three members appointed by the President with Senate confirmation. Their terms are for four years. The Chairman is paid \$20,500 and the other two get \$20,000 each. The Staff of the Board includes 10 Schedule C and two Schedule A employees who get an aggregate annual salary of approximately \$150,000.

## FEDERAL MEDIATION AND CONCILIATION SERVICE

The Service was created by the Labor Management Relations Act of 1947 and was designed to prevent or minimize labor-management disputes by attempting to settle them through mediation and conciliation. There are 210 non-Civil Service employees in the Service who get an aggregate annual salary of \$2,384,000. There are 15 exempt persons in the national office and 195 serving as regional mediators.

## FEDERAL POWER COMMISSION

The FPC, one of the regulatory agencies, is responsible for the licensing of hydroelectric projects on federal lands or on navigable waters in the U.S. It has 31 Civil Service-exempt employees who get an aggregate salary of about \$269,000 a year. There are five commissioners appointed by the President with the consent of the Senate for terms of five years. The chairman gets \$20,500 and the others get \$20,000. Currently there is one vacancy on the Commission. The staff of the Commission includes 26 exempt employees who get an aggregate annual salary of approximately \$169,000.

## FEDERAL RESERVE SYSTEM

The FRS was set up in 1913 to provide for the establishment of Federal Reserve Banks, to exercise certain controls over commercial paper and to supervise the national banking system. The Federal Reserve Board consists of seven members appointed by the President with the consent of the Senate for 14-year terms. The chairman is paid \$20,500 a year and the other members \$20,000 each. They are called the Board of Governors. The staff for the System has 107 Schedule A employees who are paid an aggregate annual salary of \$1,335,000.

## FEDERAL TRADE COMMISSION

The FTC is charged with the responsibility of maintaining free competitive enterprise by keeping competition free and fair. It is one of the major regulatory agencies and has five commissioners appointed by the President with the consent of the Senate. The chairman is paid \$20,500 and the other members \$20,000 each. Their terms are for seven years. Currently there are two vacancies on the Commission. In addition to the Commissioners there are eight staff members who are exempt from the Civil Service. They receive an aggregate annual salary of about \$119,000.

## FOREIGN CLAIMS SETTLEMENT COMMISSION

The Commission handles claims by U.S. citizens for property lost in foreign countries, generally due to nationalization. There are three commissioners appointed by the President and confirmed by the Senate. The chairman gets \$20,500 a year and the other two \$20,000 each. In addition to the commissioners, there are five Civil Service-exempt employees on the staff who get an aggregate annual salary of approximately \$37,000.

## GENERAL SERVICES ADMINISTRATION

The GSA is responsible for assigning, regulating or performing for the various federal agencies functions of procurement, supply, maintenance, disposal of surplus property and the promotion of sound management techniques. The administrator is appointed by the President with the consent of the Senate and is paid \$21,000 a year.

In his office there are 14 other Civil Service-exempt employees. Other divisions of GSA include the National Archives and Records Service, Federal Supply Service, Defense Materials Service, Public Buildings Service and Transportation and Public Utilities Service. The aggregate annual salary of the 22 exempt employees in GSA is about \$318,000.

## HOUSING AND HOME FINANCE AGENCY

The HHFA is responsible for administering the housing and related programs of the Federal Government. There are 93 Civil Service-exempt employees in the Agency who get a combined annual salary of about \$1,258,000. The administrator of the Agency, the commissioner of the Federal Housing Administration and the Public Housing commissioner are all appointed by the President with the consent of the Senate. The administrator gets \$21,000 a year and the two commissioners \$20,000 each. The Office of the Administrator also includes the Urban Renewal Administration and has 43 exempt employees who get an aggregate annual salary of about \$586,000. Other major subdivisions of the HHFA are: Public Housing Administration with seven exempt employees getting about \$97,000 a year; Federal Housing Administration with 40 exempt employees getting about \$523,000 a year; and the Federal National Mortgage Assn. with three exempt employees getting about \$52,000 a year.

## INDIAN CLAIMS COMMISSION

The Commission determines claims against the United States on behalf of any Indian tribe or group in the U.S. There are three commissioners appointed by the President and confirmed by the Senate. The chairman gets \$18,500 and the associate commissioners \$18,000 each. In addition, there are three other exempt personnel and the total aggregate salary for all six is about \$68,000.

## INTERSTATE COMMERCE COMMISSION

The ICC, one of the regulatory agencies, regulates common surface carriers competing in interstate commerce, and foreign commerce to the extent it takes place within the United States. There are 26 persons in the Commission exempt from Civil Service getting an aggregate annual salary of about \$350,000. The policies of the Commission are developed and carried out by 11 commissioners who are paid \$20,000 a year each. The chairman gets \$20,500. The commissioners are appointed by the President with the consent of the Senate for seven-year terms. Currently there are two vacancies on the Commission. The staff of the Commission has 15 exempt employees who get an aggregate annual salary of about \$130,000. Two are appointed by the President with the consent of the Senate -- the Director of Locomotive Inspection who gets \$14,705 a year and an assistant director who gets \$12,210. Both are appointed for seven-year terms.

## NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

NASA is in charge of the Nation's civilian space program. It conducts its own programs and helps to coordinate others, both research and operational. There are 265 persons in NASA exempt from Civil Service and they receive an aggregate annual salary of about \$4,376,000. The agency is headed by an administrator who



gets \$22,500 and his deputy who gets \$21,500. Both are appointed by the President with the consent of the Senate. All told, in the Office of the administrator there are 21 exempt employees getting an aggregate annual salary of about \$378,000. Other divisions of NASA include the Office of Business Administration, Office of Advanced Research, Office of Space Flight Programs, Office of Launch Vehicle Programs, Office of Life Sciences, Office of Technical Information and Educational Programs, Office of Program Planning and Evaluation and eight regional centers where NASA programs are carried out.

#### NATIONAL CAPITAL PLANNING COMMISSION

The NCPC was created in 1952 to be the central planning agency for both the Federal and District of Columbia Governments to ensure their orderly development and redevelopment. It has five members who serve without compensation for six-year terms.

#### NATIONAL CAPITAL TRANSPORTATION AGENCY

The NCTA was established July 14, 1960 (PL 86-669) to plan and coordinate an over-all transportation system for metropolitan Washington. The administrator gets \$19,000 and his deputy gets \$18,500. Each of five members of the Advisory Board are paid at an annual rate of \$18,500 while actually employed. All seven are appointed by the President and confirmed by the Senate.

#### NATIONAL LABOR RELATIONS BOARD

The NLRB is responsible for carrying out the objectives of the National Labor Relations Act of 1935 by preventing certain unfair labor practices by either employees or labor organizations and protecting the right to bargain collectively. There are five members on the Board who are appointed by the President and confirmed by the Senate for five-year terms. The chairman gets \$20,500 and the members \$20,000 each. All told, the 24 Civil Service-exempt employees of the NLRB get an aggregate annual salary of about \$225,000.

#### NATIONAL MEDIATION BOARD

The NMB was established by the Railway Labor Act of 1934 and is responsible for mediating disputes between the railroads and airlines and their employees where problems of pay and working conditions covered by the Act are involved. The Board consists of three members -- a chairman paid \$20,500 and two associate members paid \$20,000 each -- appointed for three-year terms with the consent of the Senate. The administrative staff of the Board includes 36 Civil Service-exempt employees who get an aggregate annual salary of \$193,000.

#### NATIONAL SCIENCE FOUNDATION

The NSF is charged with developing and encouraging basic research and education in the sciences and coordinating various scientific research activities. It has 130 Civil Service-exempt employees who get an aggregate annual salary of about \$1,486,000. The Foundation is directed by a 25-member Board, each member of which is appointed by the President and confirmed by the Senate. The director of the Board is paid \$20,000 a year and the other members are paid \$50 a day while actually serving. Appointments to the Board are for six years.

#### RAILROAD RETIREMENT BOARD

The Board administers a pension, retirement and disability system for railroad employees. The Board consists of three Presidential appointments confirmed by the Senate and having five-year terms. The chairman gets \$20,500 and the associate members \$20,000 each. Three staff members also are exempt from Civil Service. They get an aggregate annual salary of about \$37,000.

#### RENEGOTIATION BOARD

The Board is responsible for carrying out the objectives of the Renegotiation Act of 1951 which was designed to eliminate excessive profits of contractors having national defense contracts. The Board consists of five Presidential appointees confirmed by the Senate. The chairman gets \$20,500 and the other members \$20,000 each. There are 11 Civil Service-exempt persons on the Board or its staff getting an aggregate annual salary of \$188,000.

#### ST. LAWRENCE SEAWAY DEVELOPMENT CORP.

The Corporation was responsible for constructing and operates that part of the St. Lawrence Seaway located in the United States. The Corporation consists of an administrator paid \$20,000, a deputy paid \$17,500 and five Advisory Board members paid at the rate of \$50 per day. All are appointed by the President and confirmed by the Senate. In addition there are two Schedule C employees who get between \$10,000 and \$13,000 a year.

#### SECURITIES AND EXCHANGE COMMISSION

The SEC, one of the major regulatory agencies, is responsible for protecting the interests of the public and investors against malpractices in security and financial markets. There are 28 persons connected with the Commission who are exempt from the Civil Service. They get an aggregate annual salary of about \$396,000. There are five commissioners appointed by the President and confirmed by the Senate. The chairman is paid \$20,500 a year and the associate members \$20,000 each. Currently there is one vacancy on the Commission and one commissioner is serving under a recess appointment. The term of a commissioner is for five years.

#### SELECTIVE SERVICE SYSTEM

The System was created for the purpose of ensuring the registration of all males eligible for military service under the Universal Military Training and Service Act of 1947. In the System there are 124 persons exempt from Civil Service and their aggregate annual salary is about \$1,147,000. The director, a Presidential appointee confirmed by the Senate, is paid \$20,000 a year. In addition there are three members of the Board of Appeals and 66 state and local directors who are appointed by the President but who do not have to be confirmed by the Senate. Many serve without compensation or on a per diem basis.

#### SMALL BUSINESS ADMINISTRATION

The SBA is charged with aiding the interests of small business concerns, ensuring that they get a fair proportion of Government purchases and making loans designed to help small business. In the Administration



there are 28 non-Civil Service positions, the holders of which get an aggregate annual salary of about \$399,000. The administrator, appointed by the President and confirmed by the Senate, gets an annual salary of \$20,000. The other 27 employees are all classified under Schedule C.

#### SMITHSONIAN INSTITUTION

The Institution was established to "increase and diffuse knowledge among men," to be accomplished through scientific research, explorations, museums and art galleries, exhibits and publications. Only one position in the Institution, the Director of the National Air Museum, is not under Civil Service. That post was created by special statute and the holder gets an annual salary of \$15,255.

#### SUBVERSIVE ACTIVITIES CONTROL BOARD

The Board was created by the Subversive Activities Control Act of 1950 and, upon application by the Attorney General or any organization or individual covered by the Act, determines whether the organization in question is a Communist-action organization or is infiltrated by Communists. There are 16 positions connected with the Board which are exempt from the Civil Service. The holders of these positions get an aggregate annual salary of about \$276,000. The Board itself consists of five members appointed, with the consent of the Senate, by the President. The Chairman gets \$20,500 and the associate members get \$20,000 each. The staff of the Board includes 11 Schedule C positions.

#### TAX COURT

The Tax Court adjudicates controversies involving income, excess profits, estate, gift and other types of taxes. There are 72 Civil Service-exempt positions connected with the Court, the holders of which get an aggregate annual salary of about \$776,000. There are 16 judges on the Court who are appointed by the President, and confirmed by the Senate, for 12-year terms. Each receives an annual salary of \$22,500. The staff includes 56 Schedule C persons who get an aggregate annual salary of about \$416,000.

#### TENNESSEE VALLEY AUTHORITY

TVA was set up in 1933 to control floods on the Tennessee River, produce hydroelectric power, store water and for other purposes. It has a three-member Board of Directors who are exempt from Civil Service. The chairman gets \$20,500 a year and the others get \$20,000. They are appointed by the President and confirmed by the Senate for nine-year terms.

#### U.S. CIVIL SERVICE COMMISSION

The Commission is charged with carrying out an employment system of the Federal Government based on demonstrated relative fitness rather than political considerations. In the Commission there are 10 positions which do not fall under Civil Service and the holders of these jobs get an aggregate annual salary of about \$143,000. The three commissioners are appointed by the President and confirmed by the Senate. The chairman

is paid \$20,500 and the other two \$20,000 apiece. The other non-Civil Service employees constitute the International Organizations Employees Loyalty Board which is concerned with inquiries into the loyalty of current or prospective employees of international organizations of which the United States is a member. The seven members of the Board are under Schedule A and get an aggregate annual salary of about \$82,000.

#### U.S. INFORMATION AGENCY

USIA carries out international information activities as authorized by the U.S. Information and Educational Exchange Act of 1948. It is the propaganda and foreign public relations arm of the Federal Government. Within the Agency there are 43 posts not covered by Civil Service. The persons who fill those jobs get an aggregate annual salary of about \$445,000. The director and his deputy, both appointed by the President and confirmed by the Senate, get \$21,000 and \$20,500 respectively. Other offices in the Agency employing non-Civil Service personnel include the Broadcasting Service, Office of Security, Office of General Counsel, Office of Plans, Office of Research and Analysis, Office of Administration, and press, information and motion picture services.

#### U.S. TARIFF COMMISSION

The Tariff Commission investigates and reports upon tariff and foreign trade matters as required by statute, makes investigations requested by the President or Congress and conducts surveys on its own initiative. It has 13 positions not covered by Civil Service and their holders get an aggregate annual salary of about \$184,000. There are six commissioners, appointed by the President with the consent of the Senate. The chairman gets \$20,500, and the others get \$20,000 each. They are appointed for six-year terms. In addition, the Commission employs six persons classified under Schedule C and one classified under Schedule A who get an aggregate annual salary of about \$63,000.

#### VETERANS ADMINISTRATION

The VA administers laws authorizing benefits to former military personnel or their beneficiaries. It employs 18 persons exempt from the Civil Service who get an aggregate annual salary of about \$234,000. The Administrator is appointed by the President and confirmed by the Senate. His salary is \$21,000. The others include 16 Schedule C personnel and one position classified under Schedule A.

#### SELECTED BOARDS, COMMITTEES AND COMMISSIONS

The 17 advisory boards, committees and commissions consist primarily of persons serving without compensation or on a part-time basis. The full-time personnel are staff members who, if exempt from Civil Service, generally are classified under Schedules A, B or C. There are 165 exempt personnel on these boards and those that are full-time get an aggregate annual salary of about \$931,000. There are no full-time positions on these boards that are filled exclusively by Presidential appointment. None requires Senate confirmation.

## FEDERAL JOBS EXEMPT FROM CIVIL SERVICE

OFFICE	TOTAL POSITIONS <sup>1</sup>	PA <sup>2</sup>	PAS <sup>3</sup>	PL <sup>4</sup>	A <sup>5</sup>	B <sup>6</sup>	C <sup>7</sup>	JOBS WITH STATUS <sup>8</sup> (included in total)	NO REGULAR SALARY <sup>9</sup>	TOTAL ANNUAL SALARIES <sup>10</sup> (in thousands)
EXECUTIVE OFFICE OF THE PRESIDENT										
White House	25	25	--	--	--	--	--	--	7	\$ 370
Budget Bureau	11	2	--	--	--	--	9	4	--	144
Council of Economic Advisers	16	--	3	10	--	--	3	8	--	223
National Security Council	79	5	--	--	74	--	--	44	4	684
Central Intelligence Agency	2	--	2	--	--	--	--	--	--	41
National Aeronautics and Space Council	5	--	5	--	--	--	--	--	4	20
Office of Civil and Defense Mobilization	63	12	5	--	10	--	36	30	12	721
President's Advisory Committee on Government Organization	3	3	--	--	--	--	--	--	3	--
STATE DEPARTMENT										
Office of the Secretary	239	--	19	48	45	9	118	141	--	2,985
International Cooperation Administration	55	--	4	--	10	23	18	23	--	737
Foreign Service <sup>11</sup>	91	--	91	--	--	--	--	--	--	1,820
International Organizations <sup>12</sup>	111	69	42	--	--	--	--	16	64	438
TREASURY DEPARTMENT										
Office of Secretary	47	--	22	5	--	2	18	20	--	683
Customs Bureau	56	--	53 <sup>13</sup>	--	2	--	1	53	--	683
Savings Bond Div.	225	--	--	--	224	--	1	126	--	2,191
Office of the Comptroller of Currency	910	--	1	--	--	909	--	654	--	6,081
DEFENSE DEPARTMENT										
Office of Secretary	76	3	14	--	3	--	59	21	2	945
Army Department	46	11	15	--	--	--	20	17	13	394
Navy Department	29	3	5	2	--	--	19	10	3	237
Air Force Department	34	6	5	--	2	--	21	18	6	191
JUSTICE DEPARTMENT										
Office of Attorney General	27	--	11	--	--	--	16	--	--	387
Board of Parole	8	--	8	--	--	--	--	8	--	140
U.S. Attorneys and Marshals and Assistants	853	--	191	--	1	661	--	563 <sup>14</sup>	--	2,993
Others	279	10	--	151	5	--	113	158	10	383
POST OFFICE DEPARTMENT										
Office of Postmaster General	29	--	15	--	--	--	14	2	7	329
Others	38	--	--	--	17	--	21	9	--	374
INTERIOR DEPARTMENT										
Office of Secretary	44	--	8	--	--	--	36	20	--	615
Others	84	7	5	3	11	--	58	34	3	1,023
AGRICULTURE DEPARTMENT										
Office of Secretary	28	--	5	--	--	--	23	5	--	361
Farmers Home Administration	308	--	1	--	300	--	7	68	180	133
Agricultural Stabilization and Conservation Committees	151	--	--	--	151	--	--	38	--	1,683
Others	137	23	2	--	48	--	64	42	25	1,427

<sup>1</sup>Does not include positions traditionally occupied by persons holding other Government posts.<sup>2</sup>Filled by Presidential appointment.<sup>3</sup>Filled by Presidential appointment with Senate confirmation.<sup>4</sup>Positions created by separate statutes and not subject to Civil Service.<sup>5</sup>Schedule A positions, which are not under Civil Service, not of a confidential or policy determining character and for which it is not practicable to hold either competitive or noncompetitive examinations.<sup>6</sup>Schedule B positions, which are not under Civil Service, not of a confidential or policy determining character and for which there is no competitive examination, but for which a noncompetitive examination is required to determine whether the candidate meets certain basic professional requirements.<sup>7</sup>Schedule C positions, which are not under Civil Service, which either are of a top policy determining character or are positions of close and confidential working relationship to top policy officials.<sup>8</sup>Persons who are veterans or are currently filling jobs which formerly were under the Civil Service or Foreign Service and therefore cannot be summarily dismissed.<sup>9</sup>Number of persons serving without compensation or on a part-time, per diem basis.<sup>10</sup>Salaries are the minimum for the grade or rank.<sup>11</sup>Ambassadors.<sup>12</sup>Many of these positions currently are filled by persons holding other Government posts, although not necessarily required, for which there is no additional salary.<sup>13</sup>Collectors of Customs are appointed for four year terms, but they may be dismissed by the President at any time and replaced by a person of the President's own choosing, provided the Senate confirms the appointments.<sup>14</sup>U.S. Attorneys and U.S. Marshals are appointed for four year terms, but serve only at the pleasure of the President since their appointments require Senate confirmation. There are 91 U.S. Attorneys and 91 U.S. Marshals.<sup>15</sup>Vacant; no salary given for the position.

OFFICE	TOTAL POSITIONS <sup>1</sup>	PA <sup>2</sup>	PAS <sup>3</sup>	PL <sup>4</sup>	A <sup>5</sup>	B <sup>6</sup>	C <sup>7</sup>	JOBS WITH STATUS <sup>8</sup> (included in total)	NO REGULAR SALARY <sup>9</sup>	TOTAL ANNUAL SALARIES <sup>10</sup> (in thousands)
<b>COMMERCE DEPARTMENT</b>										
Office of Secretary	54	--	7	--	3	--	44	15	--	\$ 673
Others	111	1	29	9	36	--	36	37	--	1,405
<b>LABOR DEPARTMENT</b>										
Office of Secretary	29	2	5	--	3	--	19	7	--	353
Others	63	--	4	--	43	--	16	20	--	636
<b>DEPARTMENT OF HEALTH, EDUCATION AND WELFARE</b>										
Office of Secretary	19	--	6	--	--	--	13	2	--	284
Others	57	9	14	1	23	--	10	25	20	500
<b>AMERICAN BATTLE MONUMENTS COMMISSION</b>										
Commissioners	11	11	--	--	--	--	--	--	11	--
<b>ATOMIC ENERGY COMMISSION</b>										
Members	5	--	5	--	--	--	--	5	--	110
Others	11	10	1	--	--	--	1	9	10	20
<b>CANAL ZONE GOVERNMENT</b>										
Governor	1	--	1	--	--	--	--	1	--	19
Panama Canal Co.	1	--	--	--	1	--	--	--	--	13
<b>CIVIL AERONAUTICS BOARD</b>										
Members	5	--	5	--	--	--	--	5	--	100
Office of Secretary	20	--	--	1	--	--	19	10	--	242
<b>COMMISSION OF FINE ARTS</b>										
Commissioners	7	7	--	--	--	--	--	7	7	--
<b>DEVELOPMENT LOAN FUND</b>										
Office of Director	5	--	1	--	--	--	4	--	--	78
<b>DISTRICT OF COLUMBIA</b>										
Commissioners	3	--	3	--	--	--	--	3	--	57
Judgeships	20	--	20	--	--	--	--	20	--	354
Others	14	--	4	--	--	10	--	10	2	129
<b>EXPORT-IMPORT BANK</b>										
Office of Director	21	--	5	--	6	--	10	9	--	292
<b>FARM CREDIT ADMINISTRATION</b>										
Board Members	12	--	12	--	--	--	--	12	12	--
Office of Administration	11	--	--	1	--	--	10	13	--	163
<b>FEDERAL AVIATION AGENCY</b>										
Office of Administration	6	--	2	--	--	--	4	3	--	95
<b>FEDERAL COAL MINE SAFETY BOARD OF REVIEW</b>										
Members	3	--	3	--	--	--	--	3	3	--
Administration	2	--	--	2	--	--	--	1	--	27
<b>FEDERAL COMMUNICATIONS COMMISSION</b>										
Commissioners	7	--	7	--	--	--	--	7	--	140
Administration	23	--	--	15	5	--	3	11	--	334
<b>FEDERAL DEPOSIT INSURANCE CORP.</b>										
Office of Chairman	7	--	3	--	--	--	4	5	--	61
Division of Liquidation; Examination	22	--	--	--	22	--	--	7	6	131
<b>FEDERAL HOME LOAN BANK BOARD</b>										
Members	3	--	3	--	--	--	--	3	--	61
Administration	12	--	--	--	2	--	10	4	--	150
<b>FEDERAL MEDIATION AND CONCILIATION SERVICE</b>										
National Office	15	--	1	5	--	--	9	8	--	167
Regional Mediators	195	--	--	195	--	--	--	66	--	2,217
<b>FEDERAL POWER COMMISSION</b>										
Commissioners	5	--	5	--	--	--	--	5	--	100
Administration	26	3	--	--	3	1	19	3	1	169

OFFICE	TOTAL POSITIONS <sup>1</sup>	PA <sup>2</sup>	PAS <sup>3</sup>	PL <sup>4</sup>	A <sup>5</sup>	B <sup>6</sup>	C <sup>7</sup>	JOB WITH STATUS <sup>8</sup> (included in total)	NO REGULAR SALARY <sup>9</sup>	TOTAL ANNUAL SALARIES <sup>10</sup> (in thousands)
<b>FEDERAL RESERVE SYSTEM</b>										
Members	7	--	7	--	--	--	--	7	--	\$ 141
Administration	107	--	--	--	107	--	--	52	--	1,335
<b>FEDERAL TRADE COMMISSION</b>										
Commissioners	5	--	5	--	--	--	--	5	--	100
Administration	8	--	--	--	--	--	8	4	--	119
<b>FOREIGN CLAIMS SETTLEMENT COMMISSION</b>										
Commissioners	3	--	3	--	--	--	--	--	--	61
Staff	5	--	--	--	--	--	5	--	--	37
<b>GENERAL SERVICES ADMINISTRATION</b>										
Office of the Administrator	15	--	1	--	--	--	14	5	--	202
Others	7	--	--	2	--	--	5	4	--	116
<b>HOUSING AND HOME FINANCE AGENCY</b>										
Office of the Administrator	43	--	3	1	17	--	22	16	--	586
Federal Housing Administration	40	--	--	2	6	8	24	16	--	523
Public Housing Administration	7	--	--	--	--	--	7	3	--	97
Federal National Mortgage Assn.	3	--	--	--	--	--	3	3	--	52
<b>INDIAN CLAIMS COMMISSION</b>										
Office of Commissioner	6	--	3	--	--	--	3	3	--	68
<b>INTERSTATE COMMERCE COMMISSION</b>										
Commissioners	11	--	11	--	--	--	--	11	--	220
Staff	15	--	2	--	1	--	12	4	--	130
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>										
Office of the Administrator	21	--	2	19	--	--	--	6	--	378
Others	244	--	--	241	1	--	2	153	--	3,998
<b>NATIONAL CAPITAL PLANNING COMMISSION</b>										
Members	5	5	--	--	--	--	--	5	5	--
<b>NATIONAL CAPITAL TRANSPORTATION AGENCY</b>										
Administrator and Deputy	2	--	2	--	--	--	--	--	--	38
Advisory Board	5	--	5	--	--	--	--	--	5	--
<b>NATIONAL LABOR RELATIONS BOARD</b>										
Members	5	--	5	--	--	--	--	5	--	100
Staff	19	--	1	--	--	--	18	7	--	255
<b>NATIONAL MEDIATION BOARD</b>										
Members	3	--	3	--	--	--	--	3	--	61
Staff	36	--	--	--	--	--	36	2	--	193
<b>NATIONAL SCIENCE FOUNDATION</b>										
Board	25	--	25	--	--	--	--	25	24	20
Staff	105	--	--	105	--	--	--	41	--	1,466
<b>RAILROAD RETIREMENT BOARD</b>										
Members	3	--	3	--	--	--	--	3	--	61
Staff	3	--	--	3	--	--	--	1	--	37
<b>RENEGOTIATION BOARD</b>										
Members	5	--	5	--	--	--	--	--	--	100
Staff	6	--	--	1	--	--	5	4	--	88
<b>ST. LAWRENCE SEAWAY DEVELOPMENT CORP.</b>										
Office of the Administrator	9	--	7	--	--	--	2	--	5	62
<b>SECURITIES AND EXCHANGE COMMISSION</b>										
Members	5	--	5	--	--	--	--	5	--	100
Staff	23	--	--	--	12	--	11	10	--	296
<b>SELECTIVE SERVICE SYSTEM</b>										
Director	1	--	1	--	--	--	--	--	--	20
Appeal Board Members	4	3	--	--	1 <sup>18</sup>	--	--	--	3	--
State and Local Directors	119	66	--	--	47	6	--	45	15	1,127



OFFICE	TOTAL POSITIONS <sup>1</sup>	PA <sup>2</sup>	PAS <sup>3</sup>	PL <sup>4</sup>	A <sup>5</sup>	B <sup>6</sup>	C <sup>7</sup>	JOBS WITH STATUS <sup>8</sup> (included in total)	NO REGULAR SALARY <sup>9</sup>	TOTAL ANNUAL SALARIES <sup>10</sup> (in thousands)
SMALL BUSINESS ADMINISTRATION										
Office of the Administrator	28	--	1	--	--	--	27	16	--	\$ 399
SMITHSONIAN INSTITUTION										
Director, National Air Museum	1	--	--	1	--	--	--	1	--	15
SUBVERSIVE ACTIVITIES CONTROL BOARD										
Members	5	--	5	--	--	--	--	5	--	100
Staff	11	--	--	--	--	--	11	1	--	176
TAX COURT										
Judges	16	--	16	--	--	--	--	16	--	360
Staff	56	--	--	--	--	--	56	15	--	416
TENNESSEE VALLEY AUTHORITY										
Directors	3	--	3	--	--	--	--	3	--	60
U.S. CIVIL SERVICE COMMISSION										
Commissioners	3	--	3	--	--	--	--	3	--	61
Loyalty Board Members	7	--	--	--	7	--	--	1	--	82
U.S. INFORMATION AGENCY										
Director and Deputy Services	2 41	2 --	-- --	-- 1	-- 4	-- 31	-- 5	-- 26	-- 1	41 404
U.S. TARIFF COMMISSION										
Commissioners	6	--	6	--	--	--	--	6	--	121
Staff	7	--	--	--	1	--	6	1	--	63
VETERANS ADMINISTRATION										
Office of the Administrator	14	--	1	--	--	--	13	4	--	180
Staff	7	--	--	--	1	--	3	2	--	54
SELECTED BOARDS, COMMITTEES AND COMMISSIONS										
Advisory Commission on Intergovernmental Relations	23	20	--	3	--	--	--	22	20	49
American National Red Cross, Board of Governors	8	8	--	--	--	--	--	8	8	--
Civil War Centennial Commission	16	14	--	2	--	--	--	2	14	30
Civil Rights Commission	3	--	--	--	1	--	2	2	--	36
Committee on Purchases of Blind-made Products	8	8	--	--	--	--	--	--	8	--
Corregidor-Bataan Memorial Commission	3	--	3	--	--	--	--	3	3	--
FDR Memorial Commission	4	4	--	--	--	--	--	--	4	--
National Historical Publications Commission	2	--	2	--	--	--	--	2	2	--
Outdoor Recreation Resources Review Commission	21	7	--	14	--	--	--	8	7	190
President's Committee on Employment of the Physically Handicapped	3	3	--	--	--	--	--	--	3	--
President's Committee on Fund Raising in the Federal Service	5	--	--	--	5	--	--	1	--	37
President's Committee on Government Contracts	10	10	--	--	--	--	--	--	10	--
President's Committee on Government Employment Policy	7	6	--	--	1	--	--	1	6	14
President's Committee on Traffic Safety	3	3	--	--	--	--	--	--	3	--
U.S. Advisory Commission on Information	5	--	5	--	--	--	--	5	5	--
U.S. Study Commission -- Southeast River Basins	23	--	--	23	--	--	--	14	--	293
U.S. Study Commission -- Texas	21	--	--	21	--	--	--	8	--	282
TOTAL	6,211	379	827	887	1,262	1,660	1,206	2,915	564	\$54,136

## PANAMA LINE ORDER STIRS CONTROVERSY IN CONGRESS

A recent Presidential order directing the Government-owned Panama Steamship Line to discontinue all of its commercial operations has touched off a controversy involving Congress, the Executive Branch and the commercial shipping industry. Settlement of the dispute appears to be among the problems facing President Kennedy.

The Presidential order -- an official memorandum from President Eisenhower to the Secretary of the Army, who is the Government-appointed stockholder in the Panama Canal Company -- was issued Dec. 21 and capped a two-year campaign by commercial shipping companies and shippers' associations to remove the Panama Line from active competition. In the memorandum, the President said he had studied analyses of the Panama Line that had been made by the Bureau of the Budget and by the Board of Directors of the Panama Canal Company and had concluded that the Line's transportation of non-governmental passengers and cargo was "wholly inconsistent with the intended role of Government in a free enterprise economy."

The memorandum directed the Panama Canal Company to discontinue the commercial operations of the Line by Feb. 10, 1961. After that date, the President said, the Line should confine itself to moving only governmental passengers and cargo.

Based on fiscal 1960 figures, such a move will cut the Line's cargo and passenger volume by more than 50 percent. Company officials and some Members of Congress believed this would spell the ultimate end of the Line, reportedly one of the Army's favorite devices for winning friends on Capitol Hill.

### Reaction

Differing sharply with the President's decision was Rep. Leonor Kretzer Sullivan (D-Mo.) who, together, with several other members of the House Merchant Marine and Fisheries Committee, hoped to delay the effective date of the directive.

The President's action was greeted favorably by the steamship interests which had complained of unfair competition from the Panama Line. Two of the East Coast companies that were most directly affected, the Grace Line Steamship Company and the United Fruit Company, had been calling for Executive action to entirely eliminate the Panama Line. Although the President's memo did not go as far as they would have liked, they appeared to be satisfied to have the Panama Line drop its commercial business.

A spokesman for the American Merchant Marine Institute, an organization representing a host of steamship companies, including the Grace Line and the United Fruit Company, said: "The only thing wrong with the order was that it took so long." He said the Army had long been conducting a lobbying campaign to get Congress to leave the Panama Line alone. One of the most effective lobbying devices used by the Army, he said, was the inducement

### Panama Line Junkets

For many years the Panama Line has been the source of free and reduced-rate cruises by Members of Congress and their families. Many of the Members utilizing the Panama Line have been on official Government business, usually committee assignments, but some have taken advantages of the Line's facilities for pleasure junkets, paid for out of public funds.

An official of the American Merchant Marine Institute told CQ that the Panama Line had been able to withstand its critics for an extended period of time largely because the Army, which controls the Line, had applied heavy pressure on Congress to continue the operation of the Line, unchanged. An effective lobbying device, he said, was the offer of free or reduced-rate cruises to Members of Congress and their families aboard the Line.

Prior to 1960, commercial lines could hold out the offer of free or cut-rate travel to Congressmen, but Congress June 24 agreed to an amendment to a shipping subsidy bill (HR 10644 -- PL 86-607) that prohibited U.S. shipping companies from offering such transportation to any Government official or his family. Similar restrictions had already been levied against railroads and airlines. The Panama Line remained free from junketing restrictions.

of free or reduced-rate travel for Members of Congress and their families aboard the Panama Line.

The Transportation Assn. of America, an organization representing users, investors and all types of transport carriers, said the President's action was "another of several heartening moves toward reducing Government transport competition...." Spokesmen for the Grace Line and the United Fruit Company agreed that the action was long overdue and would correct a situation that they regarded as unfair to commercial steamship companies.

The reaction among those who had upheld the Panama Line's role as both a commercial and governmental carrier was anything but favorable. Upon returning from a meeting of the Board of Directors of the Panama Canal Company Jan. 9, an official in the Company told Congressional Quarterly the Board's attitude was one of reluctant compliance. The Company, being an agency within the Executive Branch, had no direct criticism of the President's memorandum and at its quarterly meeting during the first week of January had adopted a resolution discontinuing all commercial service as of Feb. 10. The Board also directed the Governor of the Canal Zone to make a study of the continued operation of the Panama Line without the commercial revenue and to report at the next quarterly meeting in April. Some of the Board members reportedly felt that the Line, which had been

running a deficit with the commercial revenue, would be unable to continue operating for long without it.

The first suggestion of any possibility that the Panama Line might get a reprieve came from Rep. Sullivan, Chairman of the Panama Canal Subcommittee of the House Merchant Marine and Fisheries Committee and the Panama Line's most consistent backer on Capitol Hill. Mrs. Sullivan Jan. 6 said that she had composed, and had gotten six other Committee members, including Chairman Herbert C. Bonner (D.N.C.), to sign letters to President Eisenhower and President-elect John F. Kennedy requesting further consideration of the Panama Line case. Mrs. Sullivan told CQ the decision to cut off commercial service was "very unwise." She said the President had been "pressured by the American Merchant Marine Institute" into making a "hasty decision." The letter to President Eisenhower, she said, asked for postponement of the effective date of the memorandum for "at least six months" in order to give the Subcommittee time to determine whether the Panama Line was competing unfairly with commercial shippers. She pointed out that the full Committee in 1959 had approved a resolution calling for the uninterrupted operation of the Line pending a study by the Subcommittee.

## Background

The Panama Line has been operated as an adjunct of the Panama Canal Company as long as the U.S. has had an interest in the Canal Zone. It originally had been established as a subsidiary of the Panama Railroad which was set up by the French in 1867. When the U.S. took possession of the Canal Zone in 1904, the Panama Line was part of the acquisition. Since that time, the Line has been serving both Government and commercial traffic continuously, save for the war years 1941-45.

In fiscal 1960, the Line, currently consisting of two sister ships, the S.S. Cristobal and the S.S. Ancon, both 14,206 tons, made 40 round trip voyages between New York and the Canal Zone. It carried 162,369 tons of freight, 99,900 tons of which was commercial cargo, and 9,152 passengers, 4,383 of which had no connection with the Government.

## Industry Pressure

The current controversy over the Line's operation dates back to Nov. 26, 1958 when the president of the Grace Line wrote to the Assistant Secretary of the Army, who by law automatically serves as Chairman of the Board of the Panama Canal Company, proposing that the Panama Line be discontinued and that service be provided by the Grace Line. The proposal was based on the premise that the Grace Line was in a position to meet both the freight and passenger requirements of the Canal Zone, that the Panama Line was primarily a commercial carrier, and that the operation of the Panama Line was contrary to U.S. Government policies. The Assistant Secretary of the Army, George H. Roderick, replied Feb. 4, 1959, saying that the interest of the Panama Canal Company and the U.S. Government would best be served by continued operation of the Line.

On July 6, 1959, the Grace Line and the United Fruit Company jointly wrote to Roderick, contending that the operation of the Panama Line should be discontinued

because it was in direct competition with the American-flag ships of the Grace Line and the United Fruit Company and that the competition resulted in financial losses to the two privately owned lines.

On May 8, 1959, the Director of the Budget Bureau commissioned the New York management consulting firm of Drake, Startzman, Sheahan and Barclay to make an objective study of the necessity for continuing Government ownership and operation of the Panama Line. The resulting report, known as the Drake report, was submitted to the Budget Bureau Oct. 26, 1959. It largely confirmed the charges of the shipping companies, concluding that continued operation of the Panama Line was no longer justified, since ample privately owned commercial air and steamship service was available. Shortly thereafter, the Panama Canal Company engaged two consulting firms to evaluate the Drake Report. On Nov. 19, 1959, the Company submitted to the Budget Bureau the analysis of the Drake report together with the recommendations of its two consulting firms. The two firms, Lybrand, Ross Bros. and Montgomery and the Ebasco Service challenged the Drake report, contending that the conclusions reached in the report were not supported by economic data.

On July 9, 1960, the Assistant Secretary of the Army sent letters to several U.S. steamship companies, including the Grace Line and the United Fruit Company, suggesting that the Panama Line be operated under a charter arrangement with one of the companies. The ownership of the Line would be retained by the Government, but a private steamship company would handle all operations of the Line for a fixed yearly fee. None of the companies expressed approval of the plan.

The American Merchant Marine Institute Aug. 17, 1960 wrote directly to President Eisenhower, calling for the elimination of the Panama Line. A similar letter was sent to the President Sept. 6, 1960 by the Transportation Assn. of America.

## Outlook

The future of the Panama Line, as of Jan. 20, looked bleak. President Eisenhower left office without rescinding or suspending his Dec. 21 memorandum, as Rep. Sullivan and her followers on the Panama Canal Subcommittee requested. It seemed unlikely that President-elect Kennedy, in the first 20 days of a new Administration, would remand a directive issued by his predecessor.

Mrs. Sullivan was hopeful of completing hearings on the Panama Line case before the effective date of the Eisenhower memorandum, Feb. 10, but even that possibility seemed remote due to the reorganization each new Congress must undergo. As of Jan. 20, the membership of the Merchant Marine and Fisheries Committee had yet to be announced.

Rep. Sullivan Jan. 9 said her Subcommittee would hold hearings on the Panama Line whether the Eisenhower memorandum went into effect Feb. 10 or not. She noted, however, that even if legislation to restore the commercial operation of the Panama Line was reported out of Committee and passed by both Houses of Congress, it still would require the President's signature to become law. For all practical purposes, a Presidential order or directive is rescindable only by the President himself.



## Pressure Points

● **MIGRANT LABOR** -- The directors of the American Farm Bureau Federation Jan. 6 protested the showing of a television documentary on migrant farm workers last Nov. 25, contending the film was highly colored propaganda. The show, called "Harvest of Shame," was televised over the Columbia Broadcasting System.

"Rigged documentaries are a much more serious abuse of responsibility than rigged quiz programs because of the important effect they may have on public opinion and legislative action," the directors said in a message to the Chairmen of the House and Senate Agriculture Committees, the House and Senate Interstate and Foreign Commerce Committees and to the Chairman of the Migratory Labor Subcommittee of the Senate Labor and Public Welfare Committee. CBS in New York said the show itself dealt with any possible criticism of its message.

● **PR GROUPS MERGE** -- The Public Relations Society of America and the American Public Relations Assn. Jan. 12 announced that members of the two organizations had voted to consolidate. The new organization, to be called the Public Relations Society of America Inc., will combine the 3,400 executives of the old PRSA with the 1,000 members of the APRA. The group's main headquarters will be in New York City.

● **TOBACCO INSTITUTE** -- The new president of the Tobacco Institute is George V. Allen, former director of the United States Information Agency, who succeeded retiring president James P. Richards Dec. 1, 1960. Allen is a veteran of 30 years in the Foreign Service.

● **MANSFIELD CRITICIZED** -- Americans for Democratic Action Jan. 11 sharply criticized Senate Democratic Leader Mike Mansfield (Mont.) for his role in the abortive attempt to modify Senate Rule 22, the rule fixing the number of Senators required to shut off debate on an issue pending before the Senate.

Joseph L. Rauh Jr., vice chairman for civil rights of ADA, issued the following statement: "Sen. Mansfield today betrayed the Democratic Party platform and the civil rights forces which worked their hearts out for Sen. Kennedy. Despite this setback, the civil rights forces will keep on fighting for legislation to make the goal of true equality for all Americans a reality."

Rauh's statement referred to Mansfield's sponsorship, with Minority Leader Everett McKinley Dirksen (R Ill.), of a successful motion to send a resolution (S Res 4) to amend Rule 22 to the Rules and Administration Committee. (Weekly Report p. 31)

## Lobbyist Registrations

Six new registrations filed under the Federal Regulation of Lobbying Act were made public Jan. 10, 1961-Jan. 13, 1961. (For earlier registrations, see 1961 Weekly Report p. 46).

Registrations are listed by category (with employers listed alphabetically): Business, Citizens, Farm, Foreign, Individuals, Labor, Military and Veterans, and Professional. Where certain information is not listed (such as legislative interest or compensation), the information was not filed by the registrant.

## Business Groups

● **EMPLOYER** -- Small Business Tax Conference, 1028 Connecticut Ave. N.W., Washington 6, D.C.

Registrant -- JOSEPH T. KING, 1028 Connecticut Ave. N.W., Washington 6, D.C. Filed 1/6/61.

Legislative Interest -- "HR 2 and S 2 - Small Business Tax Adjustment."

Previous Registrations -- National Retail Lumber Dealers Association (1947 Almanac p. 760); Grays Harbor Industries (1948 Almanac p. 425).

● **EMPLOYER** -- Manufacturers' Association of Puerto Rico, San Juan, Puerto Rico.

Registrant -- MITCHELL J. COOPER, 1631 K St. N.W., Washington, D.C. Filed 1/10/61.

Legislative Interest -- "All legislation affecting Puerto Rican business and most particularly, any proposed amendments to the Fair Labor Standards Act."

Compensation -- \$6,000 yearly.

Previous Registrations -- Manufacturers' Association of Puerto Rico (1960 Almanac p. 673).

## Individual

● **EMPLOYER AND REGISTRANT** -- OLIVER F. WHITE, 418 Third Street, Stambaugh, Mich. Filed 1/9/60.

Legislative Interest -- "I am lobbying for an open joint Congressional Committee Investigation to legally establish the fact there are 'Thought and Nerve Impulse Transmitters which are also Telecremators and (including outer space) Teleportage devices'. Investigate psychiatry; the subversive organization working these transmitters...."

Expenses -- \$100 per year.

Previous Registrations -- Registered as an individual (1953 Almanac p. 607).

## Labor Group

● **EMPLOYER** -- Railway Labor Executives' Association, Railway Labor Building, 400 First St. N.W., Washington 1, D.C.

Registrant -- MILTON M. PLUMB, 400 First Street N.W., Washington 1, D.C. Filed 1/9/61.

Legislative Interest -- "Legislation of concern to the 23 Standard Railroad Labor Organizations."

Previous Registrations -- Congress of Industrial Organizations; (1955 Almanac p. 705); Joint U.S.-Mexican Trade Union Committee, U.S. Section (1955 Almanac p. 706).

## Veterans Group

● **EMPLOYER AND REGISTRANT** -- AMVETS (American Veterans of World War II); 1710 Rhode Island Ave., Washington 6, D.C. Filed 1/6/61.

Legislative Interest -- "Interested in veterans legislation, Armed Service legislation, International Affairs, Americanism and general welfare."

2. Registrant -- JOHN R. HOLDEN, 1710 Rhode Island Ave., Washington, D.C. Filed 1/9/61.

Legislative Interest -- "Interested in veterans legislation, Armed Services legislation, International Affairs, Americanism and general welfare."

Compensation -- \$4,750 yearly.

Expenses -- \$300 yearly.

Previous Registrations -- American Veterans of World War II (1954 Almanac p. 705; 1956 Almanac p. 692; 1957 Almanac p. 769; 1960 Almanac p. 684).

## BAILEY BIOGRAPHY

John Moran Bailey, President Kennedy's personal choice to be named chairman of the Democratic National Committee at the Committee's Jan. 21 meeting in Washington, D.C., was born Nov. 23, 1904 in Hartford, Conn. He received his A.B. degree from Catholic University in 1926 and his law degree from Harvard Law School in 1929. Married to the former Barbara Leary, Bailey is the father of four children: Louise, Barbara, John and Judith.

Bailey is a senior partner in Bailey & Wechsler, a law firm he organized on graduation from law school. But the greater part of his adult life has been occupied with work for the Democratic party of Connecticut and for city and state governments when Democrats controlled them.

Since 1930 Bailey has been a Democratic precinct worker in Hartford. He was political secretary to the mayor of Hartford, 1931-33; clerk of the Hartford police court, 1935-37; judge of the Hartford police court, 1933-35 and 1939-41; a member of the Connecticut Statute Revision Commission; executive secretary to Gov. Wilbert Snow (D Conn.) in 1946; a member of the Connecticut Revenue Commission; and since 1946, Democratic state chairman. In 1939 he served as treasurer of the Young Democrats of America.

As Democratic state chairman Bailey built the party in Connecticut up to the impressive political triumphs scored by Gov. Abraham A. Ribicoff, the new Secretary of Health, Education and Welfare in the Kennedy Cabinet, in 1954 and 1958.

In 1948 he followed the lead of the state Democratic leaders, Sen. Brien McMahon (1945-52) and gubernatorial candidate (currently Under Secretary of State) Chester Bowles, in endorsing Gen. Eisenhower for the Democratic Presidential nomination.

Whenever Democrats have been in power in Connecticut, Bailey has concentrated on party organization rather than policy matters, and he is expected to follow this pattern as head of the National Committee. His reported credo: "The administration is always right." Bailey has said he hopes to operate the Committee in much the same manner as did James A. Farley, Democratic National Chairman from 1932 to 1940. Bailey will continue as Connecticut state chairman.

Bailey has been a strong Kennedy supporter since 1956, when he and Ribicoff tried to win Kennedy the Vice Presidential nomination on the ticket headed by Adlai E. Stevenson. The so-called "Bailey paper," seeking to show how a Roman Catholic on the Democratic national ticket might ensure its victory, was prepared by Kennedy staff aides but circulated by Bailey prior to the 1956 Democratic National Convention. (1960 Almanac p. 809)

Bailey was active for Kennedy during the 1960 primaries, acted as Kennedy's floor manager at the 1960 Democratic National Convention, and maintained liaison with local party officials for Kennedy during the campaign.

Bailey was reportedly considered for National Chairman for the Presidential campaign but not given the post because he was a Roman Catholic and it was felt that there

## 1961 Election Calendar

(For governorships and special Senate elections)

March 4 -- Final filing date for special Senate election in Texas.

March 9 -- Final filing date for New Jersey Governorship primary.

April 4 -- Texas special Senatorial election. If no candidate receives a majority, second election must be scheduled within 30 days.

April 12 -- Final filing date for Virginia Governorship primary.

April 18 -- New Jersey Governorship primary.

July 11 -- Virginia Governorship primary. (No Governorship primary is held for a party unless more than one candidate files).

August 15 -- Virginia Governorship run-off primary (if no candidate receives a majority in July 11 primary).

November 7 -- General election for:

Kentucky -- House, one-half the Senate.

New Jersey -- Governor, Assembly, one-half the Senate.

Virginia -- Governor, Lieutenant Governor, Attorney General, House.

should be a Protestant National Chairman during the campaign when Kennedy, a Catholic, headed the national ticket. Sen. Henry M. Jackson (D Wash.) served as National Chairman during the campaign and up to Jan. 21.

## NEW JERSEY GOVERNORSHIP

James P. Mitchell, Secretary of Labor in the outgoing Eisenhower Administration, Jan. 15 announced he would be a candidate for the 1961 New Jersey Republican nomination for Governor. Mitchell reportedly entered the race at the behest of Sen. Clifford P. Case (R N.J.), who Jan. 16 announced his "wholehearted support" of the Mitchell candidacy. Rep. James C. Auchincloss (R N.J.), senior member of the New Jersey Republican House delegation, Jan. 11 had urged Mitchell to enter the race. In a Jan. 12 statement three other New Jersey House Members, Reps. William T. Cahill, Florence P. Dwyer and Peter Frelinghuysen Jr., had endorsed Mitchell's candidacy.

Three Republican state senators had already announced their candidacy for the governorship: Walter H. Jones of Bergen, Wayne Dumont of Warren and Charles W. Sandman of Cape May. Jones has been endorsed by Republican party organizations in Bergen, Hudson, Passaic, Somerset, Cumberland and Middlesex Counties, and is expected to be Mitchell's most significant primary opponent.

Eight of the 11 Republican state senators Jan. 16 issued a statement attacking the Mitchell candidacy, saying: "We believe that no one should be a candidate for office...who has not been active and is not familiar with

the affairs of the state and has not had experience in state government and the problems facing the state."

President Eisenhower Jan. 13, at the last meeting of his Cabinet, gave Mitchell a \$100 contribution toward his campaign. If Mitchell, a Roman Catholic and exponent of liberal Republicanism, were to win the primary and general election, he would be a potential candidate for a place on the Republican national ticket in 1964. (For Mitchell biography, see 1960 Weekly Report p. 1317).

Incumbent Gov. Robert B. Meyner (D) is constitutionally ineligible for a third term. The principal announced candidate for the Democratic nomination is Hoboken Mayor John J. Grogan. Meyner and other party leaders, who have declined to support Grogan, have not yet agreed on a candidate.

## CATHOLICISM AND POLITICS

Paul Blanshard, author of "American Freedom and Catholic Power," Jan. 4 said that Protestants should adopt an attitude of "watchful cooperation with President-elect Kennedy so long as he fulfills his magnificent pledges to support the absolute separation of church and state.... I personally believe that he will be true to those pledges. His first appointments show no religious bias whatever," Blanshard said in a Washington speech before Protestants and Other Americans United for Separation of Church and State.

Blanshard also said, "Mr. Kennedy, we believe that you are sincere in describing the payment of public money to parochial schools as unconstitutional, but if you so much as crook your finger in the direction of a single public dollar for Catholic schools, you will not return to the White House in 1965." Blanshard predicted growing conflict between Catholic policy and American democracy in the fields of education, taxation and medicine (particularly birth control.) "It would be a false tolerance for non-Catholics to yield on (these issues) without counter-attack," Blanshard said. "We believe in tolerance but we do not believe in blind-fold tolerance. We want reciprocity in tolerance from the Catholic Church in Spain, Colombia, Massachusetts and Connecticut."

**RELATED DEVELOPMENT** -- Richard Cardinal Cushing of Boston Jan. 11 said in Baltimore, "If I were asked on this occasion to name the good-will man of the year 1960, I would unhesitatingly give the accolade to Richard Nixon, Vice President of the United States. During the recent campaign...he never exploited the religious issue or any other issue that would tend to divide the American people. When he lost the closest national election of the past century he was magnificent in defeat."

## ROCKEFELLER AND LIBERAL PARTY

Paul R. Hays, chairman of the New York state Liberal party, Jan. 14 issued a report endorsing most of the legislative programs of New York Gov. Nelson A. Rockefeller (R). The report aroused speculation that the Liberal party, which usually endorses Democratic candidates, might support Rockefeller's 1962 reelection campaign and almost ensure his reelection. The Hays report said Rockefeller, unlike the majority of Republicans, supported the view that government should play a positive role in the economic and social life of the community and praised Rockefeller stands on medical programs for the aged, juvenile delinquency, expansion of business and educational opportunity, housing, metropolitan-area and

regional planning, discrimination and other fields. It criticized some Rockefeller fiscal policies, especially the 10 percent income tax rebate approved Jan. 10 by the Legislature at Rockefeller's request.

## CONSERVATIVE CONFERENCE

Over 700 persons attended a Jan. 6-7 conference of conservatives in Washington under the sponsorship of Human Events, a Washington newsletter. Speakers and panel discussion leaders included Sens. Barry M. Goldwater (R Ariz.), Strom Thurmond (D S.C.), ex-Sen. Burton K. Wheeler (R Mont. 1923-47), Reps. Donald C. Bruce (R Ind.), Peter A. Garland (R Maine), John H. Rousselot (R Calif.), John Ashbrook (R Ohio), Edward J. Derwinski (R Ill.), H.R. Gross (R Iowa), Walter H. Judd (R Minn.), August E. Johansen (R Mich.) and Edgar W. Hiestand (R Calif.). Journalists Fulton Lewis Jr., Constantine Brown and Willard Edwards also appeared at the conference.

Wheeler said his own experience as candidate for Vice President (on the Progressive party ticket with Robert M. La Follette) in 1923 had proven the futility of a third-party movement in the U.S. He said both Republican and Democratic parties have machinery available for use by the conservative movement.

## POLITICAL BRIEFS

**ARKANSAS** -- A Congressional redistricting plan, authored by State Rep. Raymond Mays (D), Jan. 10 was filed in the Arkansas General Assembly with sufficient cosponsors for passage in both Senate and House. The plan, reducing the number of districts from six to four in accordance with the reapportionment based on the 1960 Census, would put Rep. Wilbur Mills (D) and Dale Alford (D) together in one district, Reps. Oren Harris (D) and W.F. Norrell (D) together in another district, and leave Reps. E.C. Gathings (D) and James W. Trimble (D) without opposition from colleagues.

**ILLINOIS** -- Following a procedural dispute the Illinois House of Representatives Jan. 9 was organized under Democratic control. The composition of the House as elected Nov. 8 was 89 Republicans, 88 Democrats. (Weekly Report p. 20) However, one Republican voted with the Democrats on organization and two others simply voted present, giving the Democrats control.

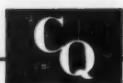
**NEW YORK** -- Manhattan Borough President Hulan E. Jack Jan. 16 was given a one-year suspended sentence for conspiracy and violation of the city charter. Sentencing was made by General Sessions Court Judge Joseph A. Sarafite, who said the jury's verdict "was amply sustained by the evidence." The sentencing automatically removed Jack from his position as Borough President. (1960 Weekly Report p. 1972)

**PENNSYLVANIA** -- Former Gov. John S. Fine (R 1951-55) Jan. 11 was indicted by a federal grand jury on charges of evading \$45,554 in income taxes after he left office.

**SOUTH DAKOTA** -- Sen. Francis Case (R S.D.) Jan. 4 announced he would seek another six-year Senate term in 1962.

**VIRGINIA** -- Attorney General Albertis S. Harrison Jan. 14 became the second announced candidate in the July 11 Virginia Democratic gubernatorial primary. Harrison, an ally of the political organization of Sen. Harry F. Byrd (D Va.), will oppose Lt. Gov. A.E.S. Stephens in the primary. (1960 Weekly Report p. 1974)





# Presidential Report

## THE TEXT OF PRESIDENT EISENHOWER'S JAN. 18 PRESS CONFERENCE

*Following is the complete text of President Eisenhower's Jan. 18 press conference -- his last in the White House -- the 90th of his second term, held four months and 10 days after the 89th, which he held Sept. 9, 1960 (1960 Weekly Report p. 1558):*

THE PRESIDENT: Good morning. Please sit down.

I came this morning, not with any particularly brilliant ideas about the future, but I did want the opportunity to say goodbye to people that I have been associated with now for eight years, mostly I think on a friendly basis (laughter), and at least it certainly has always been interesting. There is one man here who has attended every press conference that I have had, at home and abroad, and who has been of inestimable service to the Government and to all of you, and I think most of you have never seen him. It's Jack Romagna, and I am going to ask him to stand up. (Shouting and applause.) Now, if we have any questions, past, present or future, why --

### TRANSITION

Q. WILLIAM J. EATON, United Press International: Mr. President, sir, more than two months have elapsed since Senator Kennedy's election and the problem of transition began. Do you feel this transition period should be shortened or changed in any way?

THE PRESIDENT: Well, my ideas are more radical than that. I think that we ought to get a constitutional amendment to change the time of the Inauguration and to give dates for election and assumption of office in such fashion that a new President ought to have at least 80 days or something of that kind before he meets his first Congress.

### RELATIONS WITH CONGRESS

Q. THOMAS N. SCHROTH, Congressional Quarterly: Mr. President, sir, in the eight years of your Presidency, you have had a Congress of the other Party for six years. How do you, would you describe that experience? Has the loyal opposition been pretty loyal or have you been frustrated by Congress?

THE PRESIDENT: I think I said, I made a little talk last evening you may have heard (laughter), and I said on vital issues I thought that the record of the Congress was really cooperative and no one could find fault upon that.

### IMPRESSION OF KENNEDY

Q. RAY L. SCHERER, NBC: Mr. President, you had one talk with Mr. Kennedy, you are about to have another. I wonder if you could give us your personal impression of the man.

THE PRESIDENT: Well, now you know that's the last thing I would do. After all, this is a new President coming in and I don't think it's up to me to -- to talk about personalities. As I said last evening, I wish him Godspeed in his work because I'll tell you --

Q. I mean, what I mean more specifically, how do you think the transition is going?

THE PRESIDENT: 'Oh! The Transition.

Q. Yes, sir.

THE PRESIDENT: I think it's going splendidly, splendidly. As a matter of fact there are no complaints on our part.

### PEOPLE'S RIGHT TO KNOW

Q. WILLIAM MCGAFFIN, Chicago Daily News: Mr. President, you sounded a warning last night of the dangers to our democratic processes implicit in unparalleled peacetime military establishment. But some of your critics contend that one liberty, the people's right to know, has suffered under your Administration because you have tolerated the abuse of Executive

privilege in the Defense Department and other Departments and agencies and because you did not hold frequent enough press conferences.

THE PRESIDENT: Well, they are critics and they have the right to criticize.

### RELATIONS WITH PRESS

Q. ROBERT G. SPIVACK, New York Post: Mr. President, at your first press conference you came into the room here and you said there had been some speculation in the press that there would be a great deal of antagonism develop between you and the reporters over the years. You said that "through the war years and ever since I have found nothing but desire to dig at the truth so far as I was concerned, and be open-handed and forthright about it. That is the kind of relationship I hope we can continue." Do you think during these eight years we have continued it?

THE PRESIDENT: Well, I will say this: So far as I have known the facts I have given them responsively to every question, and where I thought the national security was involved, I was honest enough to say so.

Q. I meant, did you feel that reporters had been fair to you too, in their questions?

THE PRESIDENT: Well, when you come down to it, I don't see what a reporter could do much to a President, do you? (Laughter.)

### ELECTION REFORM

Q. ROBERT J. DONOVAN, New York Herald Tribune: Could you expand a little more on your ideas about a constitutional amendment on the re-election of the President? Do you have any particular dates in mind when the election should be held or --

THE PRESIDENT: Well, I am going to be talking, as I warned someone the other day, much more in the future than I thought I would: so, I am going to put these ideas out. I don't mind giving the general idea that I just did, but I wouldn't want to put the details and dates right down until I had studied them completely through in this way. But I do think that a President ought to have the task of completing and finishing his budget message, his economic reports, and recommendations, and his State-of-the-Union message during a period while he is still responsible.

Q. The new President?

THE PRESIDENT: The new President. That's right. We can give him a period in which he is responsible for that, before you go before the Congress. Because now the old President has got to put these things in and the new President has different ideas, he just has to start changing them right away. It seems a little bit silly to me.

### ADVICE TO NIXON

Q. DONOVAN: I wonder if you could tell us for the historical record, this has come up a number of times, could you say whether at any time you advised or counseled Vice President Nixon against engaging in televised debates, and whether you felt that you, your participating in the campaign began as early as it should have?

THE PRESIDENT: Well, you have a lot of questions this morning. (Laughter.)

First, I was not asked for any advice on debates. Secondly, I carried out exactly the schedule that the headquarters of the Campaign Committee asked me to do.

### TOP ACHIEVEMENT AND FAILURE

Q. MRS MAY CRAIG, Portland, Maine Press Herald: Mr. President, can you tell us yet what you think has been your most satisfying achievement and the most heartbreaking failure in



your eight years? You came into the office, I know, with many desires of what you could do.

THE PRESIDENT: Well, I think possibly, Mrs. Craig, that there will have to be more reflection on my part to give you truly a definitive answer. The big disappointment I felt is one not of a mere incident, it was the fact that we could not in these eight years get to the place where we could say it now looks as if permanent peace with justice is really in sight. But, on the other hand, if you take achievement over the long run, let us remember what has happened in these eight years, our opponents achieved the nitrogen -- hydrogen bomb. They began to build up an arsenal which, of course, we know is many thousands of megatons in expressed power, in its power; and at the same time during those days we were already fighting one war, there was danger that there was going to be a spread of those hostilities. During the entire first four years, I think, the Red Chinese were constantly threatening war, saying they were and they were not only threatening, but often making moves in that direction and at the same time the Russians were saying "We are going to support our Red China allies."

Now, there was I believe in this -- in the governmental actions of the eight years, the kind of understanding and firmness and readiness to take the risk that prevented those things from happening because I am perfectly sure that weakness would have allowed them to, and a display of weakness, and I mean either moral or physical would have allowed them to spread this war to the great and disastrous consequences of all the earth. So, the achievement I think, one of the achievements has been that we actually have stopped many of these risks from becoming realities, and on the other hand the disappointment is that we haven't done better in getting a more constructive and positive indication that real disarmament is around the corner.

(There was a chorus of "Mr. President.")

THE PRESIDENT: Now if you want, if you want a very particular incident, I'd say November 8th was one of another bad disappointments. (Laughter)

#### FUTURE PLANS, RANK

Q. ROBERT C. PIERPOINT, CBS News: Mr. President, I wonder if you could tell us in some detail your work and travel plans for the near future, and also whether you want to do this, or prefer to do this work and travel as a civilian, an ex-President, or would you like to have Congress restore your five-star military rank?

THE PRESIDENT: Well, let's start, so I may not remember all your questions, I will start with the end of it.

By Democratic friends of mine in the Congress it has been proposed to give me back my rank that I resigned to in July of 1952 and that, of course, would be a satisfying thing to me simply because it was the 40 years that I put in the military service that would give me a title of my own rather than -- how do you say "Mr. ex-President"? I don't know (laughter). But anyway, I understand that that is to be merely a title and no additional pay so that there is no conflict there.

Now, as to what I want to do, I do want to explore my own mind and have a bit of perspective in looking at these eight years rather than being in the midst of them and seeing whether I have anything that I think is worthwhile to providing for the public; and in doing that, I will possibly do some traveling.

I have, as I think some of you know, I have tentatively agreed to go to Japan in -- some time later, I don't know just when, but later and as a matter of fact it has been very gratifying to know of the extraordinary numbers of groups and the really, literally the millions of people that have expressed a desire for me to come back. But that is not as gratifying as the fact that every single election held in that country since last June has been very, very favorable to the United States and to the treaty that was really at the heart of the whole affair.

#### THIRD-TERM AMENDMENT

Q. WILLIAM KNIGHTON, Baltimore Sun: Mr. President, have you come to a firm decision on the value of the third-term amendment -- no third-term amendment?

THE PRESIDENT: A funny thing, ever since this election the Republicans have been asking me this (laughter).

No, I think I told you that I had come or, I think at first way back even when I had no intention of ever going more than once that I was sort of against the third-term amendment because I thought the American people had the right to choose who they wanted. But we do know there is possibilities of building up great machines in a democracy and soon, and finally I came, on balance, and I think I so said to this body, on balance to decide that I believe the two-term amendment was probably a pretty good thing.

#### WHY REPUBLICANS LOST

Q. EDWARD P. MORGAN, American Broadcasting Company: Mr. President, this is a question about the past and the future. Could you tell us what you personally think were the major points which lost the Republicans the election; and do you have any counsel for the Republicans in '62 and '64 to avoid a repetition of November 8th?

THE PRESIDENT: Well, I would think this: Yes, of course I have ideas but there is one case that I think it would be better for me to keep still for the moment. I have to meet with these Republican leaders of the future and talk to them and give them the lessons I think I have learned, and where together we can point out what we believe are mistakes, and where together we can say what we believe is the best method to make sure that this country will have balanced government.

#### SCIENTIFIC ELITE

Q. LILLIAN LEVY, Science Service: Mr. President, last night you called attention to the danger that public policy could become the captive of a scientific technological elite. What specific steps would you recommend to prevent this?

THE PRESIDENT: I know nothing here that is possible, except -- or useful -- except the performance of the duties of responsible citizenship. It is only a citizenry, an alert and informed citizenry which can keep these abuses from coming about. And I did point out last evening that some of this misuse of influence and power could come about unwittingly but just by the very nature of the thing, when you see almost every one of your magazines, no matter what they are advertising, has a picture of the Titan missile or the Atlas or solid fuel or other things, there is becoming a great influence, almost an insidious penetration of our own minds that the only thing this country is engaged in is weaponry and missiles. And, I'll tell you we just can't afford to do that. The reason we have them is to protect the great values in which we believe, and they are far deeper even than our own lives and our own property, as I see it.

#### QUESTIONING BY PRESS

Q. EDWARD V. KOTERBA, United Features Syndicate: Mr. President, sir, in line with your opening statement and a question earlier, it is agreed that at times over the last eight years we at the press conferences may not have been too charitable in our questioning of you. Now could you elaborate, sir, and relate to us your feeling about your relations with the press and these press conferences in particular?

THE PRESIDENT: Well, I don't know that I can elaborate very much. I'll say this, the other evening I asked the people that they call the regulars around the White House, and you people know them as well as I do, and I guess there was, what, seventy? Seventy people. Now I didn't ask them whether they were critics or particular friends of mine, some of them are, they've been warm personal friends, whether they were Democrats or Republicans or Socialists -- but we had a good time I think, everybody seemed to, and I think on a personal basis it was a friendly thing. So I have never objected to penetrating and searching questions. The only thing I object to is something that tries to -- it's like the beating of your wife question, I don't like that, and (laughter) but I have no one that I could single out and say that they have been annoying nor have I anyone to argue with.

#### FIRST SECRETARY

Q. SARAH McCLENDON, El Paso Times: Mr. President, Sarah McClendon of the El Paso Times -- (laughter). Sir, this question concerns your budget, this proposal on the Office of Executive Management.

THE PRESIDENT: Yes.

Q. Would you discuss that for us some and tell us, does this not mean that there will be more centralized control over our public works projects, as to whether or not they would be started or they would be stopped?

THE PRESIDENT: Oh, no, not at all. There, you can have supervision not only subjectively, like the Secretary of the Interior over the Interior subjects, but you can have it functionally because you have two great areas that cause a President work and study every single day of his life. One is everything that touches foreign relations. This is his constitutional duty, and here where we used to think of it, those things falling only within the Department of State, we have now -- we have representatives of the Labor Department, of the Commerce Department, of the Agricultural Department, we have ICA, we have USIA, and then the Defense Department which now obviously with the stationing of troops abroad everywhere, has a great effect on foreign policy.

Now, it is therefore a very tough problem to keep all of these things always on the same road going the same way. This would be the job of the First Secretary, as I see it, not that he takes the place of the President at all, in the foreign field, but to day by day watch what is going on in the world -- keep everybody in all the several departments aware of what they must do so as to have a completely coordinated policy. Now, in the management field you have everything from rates of pay that are different in all sorts of different departments, you have all different kinds of accounting methods in different departments, you have got different methods of procurement and all of this sort of thing in my opinion ought to be coordinated. Now, you don't get into their business of running the Defense Department or the State Department or the USIA. You make sure that the business arrangements that they carry out are good, and this has nothing to do with the starting of a new dam or not. That is a political decision.

(There was a chorus of "Mr. President.")

#### GREATEST PROBLEM FOR KENNEDY

Q. RAYMOND P. BRANDT, St. Louis Post Dispatch: Can you tell us, sir, what you think is the greatest problem confronting your successor?

THE PRESIDENT: Well, I think that is answered almost by the fact that the thing that causes all our problems is the intransigent, unreasonable attitude of the Communist bloc and therefore his basic problem and as a matter of fact not just the President's, everybody else's, is what do to keep ourselves strong and firm and yet conciliatory in trying to meet this -- this terrible problem that is none of our making.

#### FEDERAL SPENDING

Q. RICHARD L. WILSON, Cowles Publications: One indication of what the succeeding Administration may have in mind is apparently contained in the report by Professor Samuelson in which he recommends an increase of \$3 billion to \$5 billion immediately in certain domestic programs. Do you take the view that the economy is moving into a dangerous period that would require this additional governmental action, or do you feel that the proposals made may be extreme and not necessary?

THE PRESIDENT: Well, put it this way: Of course I'm no -- while I'm one of seven sons, I'm not the seventh son of a seventh son, so I'm not a prophet. Now, we believe, and I'm now talking not out of my guesswork, I'm talking about the economic analyses, that the economy is swinging and it will be swinging up gradually but steadily so as to provide more revenue than it currently is doing, I mean Federal revenue.

Now, this business of going into public works all of a sudden to cure what someone believes is a recession, or to stop a recession -- I have had a very, very searching study made of this thing and it's not quite complete, but I am going to use it someday in trying to point out that that kind of a problem, or that kind of dependence upon stopping a recession usually gets into effect about eighteen months after the recession is all over and you are in your boom period. If people exaggerate the number of men that are going to be put back to work because you appropriate three billion or five billion, in fact I believe as we go back to this last one of -- '58 -- the biggest thing that the Federal Government did, was most helpful, was this: It picked up the tab for all of the unemployment insurance benefits that had been exhausted by people in the several States and where there was no help. So the Federal Government I think probably put, I don't remember the

figures, let's say six or seven hundred million and that six or seven hundred million was far better because it alleviated suffering at the moment and restored some confidence and people naturally began to build and buy again.

I really don't go in very much for the theory that by suddenly expanding three or four or five billion dollars worth of Federal programs that you get a tremendous boost. We are talking of five hundred and three or four billion dollars GNP, and this is three or four or five billions now that we are going to put somewhere, and it takes a long, long time to get it used. But it does mean that it stays permanently as a debt that we have to pay sometime.

#### GOP ROLE

Q. L. EDGAR PRINA, Washington Star: How active a role do you plan to play in the effort to strengthen the Republican Party; and can you tell us whether this role will be nearly as active, for example, as Mr. Truman's in his own Party? You mentioned making a lot of speeches.

THE PRESIDENT: Well, I won't make any comparisons (laughter), I'll just say this: I'm now, I think this is the fourth time that I am supposedly going to retire, and I feel this, the Republican Party is necessary to this country, I believe in its general policies and if the leaders of that Party want me for any service in which I can be helpful and by that I would assume we were talking about consultation from time to time and not any truly active thing, I will be available. I won't be around trying to lecture them, but I should like to converse with them if they want me.

Q. You mentioned you were going to make a great many more speeches than you had planned. Would that be --

THE PRESIDENT: Not speeches; no, not speeches, I'll probably stop that.

#### LAOS

Q. SPENCER DAVIS, Associated Press: Mr. President, you mentioned a short time back the need for the United States to remain firm and strong and at the same time conciliatory. Would you relate that to our policy toward Laos, sir, particularly the reports that the United States had turned down the invitation of Cambodia to attend a 14-nation conference?

THE PRESIDENT: Well, at the moment there is no point of course of going into a conference unless everybody thinks this would be a good idea. You can't haul anybody into a conference. Now, the thing that has been proposed most has been a reconvening of the ICC and if that could be done in proper auspices and where it was recognized that the government of Phoumi, which has been now approved by the parliament, if that was recognized as the proper government I think there might be a useful purpose of reconvening this ICC to be served. Actually what again causes the trouble is the determination of the Communist bloc, as expressed again yesterday in Mr. Khrushchev's speech to exacerbate and support what he calls wars of liberation and which are revolts of Communist elements to overturn constituted governments in authority.

Now, the United States has tried to do this within the limits of the United Nations charter. We believe that unless there can become a greater adherence to these principles, and unless that charter can be supported by more of our nations, then the outlook for peace becomes dimmer. On the other hand, as all of us take the United Nations charter as our guide and as we have tried to do so earnestly, and I think most of the Western nations have tried to do also, then I think the chances of settling this as well as other problems will be greater.

#### HOUSE RULES

Q. FRANK VAN DER LINDEN, Nashville Banner: Sir, the House of Representatives will vote soon on a proposal by Speaker Rayburn to add two Democrats and one Republican to the Rules Committee for the announced purpose of clearing the way for some of these welfare and spending bills that you vetoed in the past. Would you advise the Republicans in the House to vote solidly against this proposal which has been called the packing plan?

THE PRESIDENT: Well, I think one thing that is scarcely proper for me to comment on is how the two bodies of Congress

rule themselves. This, for the reason that I believe the Constitution says that they have established their own methods of operation and I don't think the President has any real right to interfere.

GRANDCHILDREN'S U.S.

Q. DAVID P. SENTNER, Hearst Newspapers: Mr. President, you referred earlier to the great values to be considered in our way of living. Would you sum up for us your idea of what kind of a United States you would like your grandchildren to live in?

THE PRESIDENT: I'd say in a peaceful world and enjoying all of the privileges and carrying forward all the responsibilities envisioned for the good citizen of the United States, and this means among other things the effort always to raise the standards of our people in their spiritual, their intellectual, their economic strength and generally and specifically and that's what I would like to see them have.

Q. STERLING F. GREENE, Associated Press: Thank you, Mr. President.

## TEXT OF PRESIDENT EISENHOWER'S FINAL RADIO-TV MESSAGE

Following is the complete text of President Eisenhower's final message to the Nation, broadcast and televised from the White House Jan. 17, 1961:

My fellow Americans:

Three days from now, after half a century in the service of our country, I shall lay down the responsibilities of office as, in traditional and solemn ceremony, the authority of the Presidency is vested in my successor.

This evening I come to you with a message of leave-taking and farewell, and to share a few final thoughts with you, my countrymen.

Like every other citizen, I wish the new President, and all who will labor with him, Godspeed. I pray that the coming years will be blessed with peace and prosperity for all.

### RELATIONS WITH CONGRESS

Our people expect their President and the Congress to find essential agreement on issues of great moment, the wise resolution of which will better shape the future of the Nation.

My own relations with the Congress, which began on a remote and tenuous basis when, long ago, a member of the Senate appointed me to West Point, have since ranged to the intimate during the war and immediate post-war period, and finally, to the mutually interdependent during these past eight years.

In this final relationship, the Congress and the Administration have, on most vital issues, cooperated well, to serve the national good rather than mere partisanship, and so have assured that the business of the Nation should go forward. So, my official relationship with the Congress ends in a feeling, on my part, of gratitude that we have been able to do so much together.

We now stand ten years past the midpoint of a century that has witnessed four major wars among great nations. Three of these involved our own country. Despite these holocausts America is today the strongest, the most influential and most productive nation in the world. Understandably proud of this pre-eminence, we yet realize that America's leadership and prestige depend, not merely upon our unmatched material progress, riches and military strength, but on how we use our power in the interests of world peace and human betterment.

### NEED FOR BALANCE

Throughout America's adventure in free government, our basic purposes have been to keep the peace; to foster progress in human achievement, and to enhance liberty, dignity and integrity among people and among nations. To strive for less would be unworthy of a free and religious people. Any failure traceable to arrogance, or our lack of comprehension or readiness to sacrifice would inflict upon us grievous hurt both at home and abroad.

Progress toward these noble goals is persistently threatened by the conflict now engulfing the world. It commands our whole attention, absorbs our very beings. We face a hostile ideology -- global in scope, atheistic in character, ruthless in purpose, and insidious in method. Unhappily the danger it poses promises to be of indefinite duration. To meet it successfully, there is called for, not so much the emotional and transitory sacrifices of crisis, but rather those which enable us to carry forward steadily, surely, and without complaint the burdens of prolonged and complex struggle -- with liberty the stake. Only thus shall we remain, despite every provocation, on our charted course toward permanent peace and human betterment.

Crises there will continue to be. In meeting them, whether foreign or domestic, great or small, there is a recurring temptation to feel that some spectacular and costly action could become the miraculous solution to all current difficulties. A huge increase in newer elements of our defense; development of unrealistic programs to cure every ill in agriculture; a dramatic expansion in basic and applied research -- these and many other possibilities, each possibly promising in itself, may be suggested as the only way to the road we wish to travel.

But each proposal must be weighed in the light of a broader consideration: The need to maintain balance in and among national programs -- balance between the private and the public economy, balance between cost and hoped for advantage -- balance between the clearly necessary and the comfortably desirable; balance between our essential requirements as a nation and the duties imposed by the nation upon the individual; balance between actions of the moment and the national welfare of the future. Good judgment seeks balance and progress; lack of it eventually finds imbalance and frustration.

The record of many decades stands as proof that our people and their government have, in the main, understood these truths and have responded to them well, in the face of stress and threat. But threats, new in kind or degree, constantly arise. I mention two only.

### EFFECTS OF ARMAMENT

A vital element in keeping the peace is our military establishment. Our arms must be mighty, ready for instant action, so that no potential aggressor may be tempted to risk his own destruction.

Our military organization today bears little relation to that known by any of my predecessors in peacetime, or indeed by the fighting men of World War II or Korea.

Until the latest of our world conflicts, the United States had no armaments industry. American makers of plowshares could, with time and as required, make swords as well. But now we can no longer risk emergency improvisation of national defense; we have been compelled to create a permanent armaments industry of vast proportions. Added to this, three and a half million men and women are directly engaged in the defense establishment. We annually spend on military security more than the net income of all United States corporations.

This conjunction of an immense military establishment and a large arms industry is new in the American experience. The total influence -- economic, political, even spiritual -- is felt in every city, every State house, every office of the Federal government. We recognize the imperative need for this development. Yet we must not fail to comprehend its grave implications. Our toil, resources and livelihood are all involved; so is the very structure of our society.

In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.

We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together.

Akin to, and largely responsible for the sweeping changes in our industrial-military posture, has been the technological revolution during recent decades.



In this revolution, research has become central; it also becomes more formalized, complex, and costly. A steadily increasing share is conducted for, by, or at the direction of, the Federal Government.

Today, the solitary inventor, tinkering in his shop, has been overshadowed by task forces of scientists in laboratories and testing fields. In the same fashion, the free university, historically the fountainhead of free ideas and scientific discovery, has experienced a revolution in the conduct of research. Partly because of the huge costs involved, a government contract becomes virtually a substitute for intellectual curiosity. For every old blackboard there are now hundreds of new electronic computers.

The prospect of domination of the nation's scholars by federal employment, project allocations, and the power of money is ever present -- and is gravely to be regarded.

Yet, in holding scientific research and discovery in respect, as we should, we must also be alert to the equal and opposite danger that public policy could itself become the captive of a scientific-technological elite.

It is the task of statesmanship to mold, to balance, and to integrate these and other forces, new and old, within the principles of our democratic system -- ever aiming toward the supreme goals of our free society.

Another factor in maintaining balance involves the element of time. As we peer into society's future, we -- you and I, and our government -- must avoid the impulse to live only for today, plundering, for our own ease and convenience, the precious resources of tomorrow. We cannot mortgage the material assets of our grandchildren without risking the loss also of their political and spiritual heritage. We want democracy to survive for all generations to come, not to become the insolvent phantom of tomorrow.

#### DISARMAMENT PROBLEM

Down the long lane of the history yet to be written America knows that this world of ours, ever growing smaller, must avoid becoming a community of dreadful fear and hate, and be, instead, a proud confederation of mutual trust and respect.

Such a confederation must be one of equals. The weakest must come to the conference table with the same confidence as do we, protected as we are by our moral, economic, and military strength. That table, though scarred by many past frustrations, cannot be abandoned for the certain agony of the battlefield.

Disarmament, with mutual honor and confidence, is a continuing imperative. Together we must learn how to compose differences, not with arms, but with intellect and decent purpose. Because this need is so sharp and apparent I confess that I lay down my official responsibilities in this field with a definite sense of disappointment. As one who has witnessed the horror and the lingering sadness of war -- as one who knows that another war could utterly destroy this civilization which has been so slowly and painfully built over thousands of years -- I wish I could say tonight that a lasting peace is in sight.

Happily, I can say that war has been avoided. Steady progress toward our ultimate goal has been made. But, so much remains to be done. As a private citizen, I shall never cease to do what little I can to help the world advance along that road.

#### PRAYER FOR PEACE

So -- in this my last good night to you as your President -- I thank you for the many opportunities you have given me for public service in war and peace. I trust that in that service you find some things worthy; as for the rest of it, I know you will find ways to improve performance in the future.

You and I -- my fellow citizens -- need to be strong in our faith that all nations, under God, will reach the goal of peace with justice. May we be ever unswerving in devotion to principle, confident but humble with power, diligent in pursuit of the Nation's great goals.

To all the peoples of the world, I once more give expression to America's prayerful and continuing aspiration:

We pray that peoples of all faiths, all races, all nations, may have their great human needs satisfied; that those now denied opportunity shall come to enjoy it to the full; that all who yearn for freedom may experience its spiritual blessings; that those

who have freedom will understand, also, its heavy responsibilities; that all who are insensitive to the needs of others will learn charity; that the scourges of poverty, disease and ignorance will be made to disappear from the earth, and that, in the goodness of time, all peoples will come to live together in a peace guaranteed by the binding force of mutual respect and love.

## OTHER STATEMENTS

(Resignations listed below are effective Jan. 20, 1961).

Jan. 9 -- Remarks at the opening plenary session of the White House Conference on Aging. (Weekly Report p. 43)

Jan. 9 -- Acceptance of the resignation of Fred A. Seaton as Secretary of the Interior.

Jan. 10 -- Acceptance of the Big Brother of the Year Award from the Big Brothers of America and the Hoover Medal from a group of American engineering societies.

Jan. 10 -- Executive Order authorizing certain federal departments and agencies to classify defense information.

Jan. 10 -- Executive Order providing for the issuance of "Emergency Preparedness Orders" by the Director of the Office of Civil and Defense Mobilization.

Jan. 10 -- Executive Order delegating authority to certain officials to prescribe regulations governing payment of allowances and benefits to Government civilian employees at overseas posts.

Jan. 10 -- Acceptance of the resignations of James H. Douglas as Deputy Secretary of Defense and Clarence B. Randall as Chairman of the Council on Foreign Economic Policy.

Jan. 11 -- White House Statement commending the recommendations of the President's Committee on Government Contracts.

Jan. 11 -- Acceptance of the resignations of Maurice H. Stans as Director of the Bureau of the Budget and Theodore F. Stevens as Solicitor of the Department of the Interior.

Jan. 12 -- Letter to Mansfield D. Sprague, chairman of the President's Committee on Information Activities Abroad, expressing appreciation and admiration for a Committee report.

Jan. 12 -- Executive Order creating an emergency board to investigate a dispute between members of the New York Harbor Carriers' Conference Committee and their employers.

Jan. 12 -- Acceptance of the resignation of Christian A. Herter as Secretary of State.

Jan. 13 -- Acceptance of the resignations of William P. Rogers as Attorney General; William B. Franke as Secretary of the Navy; Julian B. Baird as Under Secretary of the Treasury; John N. Irwin II as Assistant Secretary of Defense; Robert Kramer as Assistant Attorney General; Frank Barr as Assistant Postmaster General; Philip B. Taylor as Assistant Secretary of the Air Force; Courtney Johnson as Assistant Secretary of the Army (Logistics); Raymond Blattenberger as Public Printer; Dana Latham as Commissioner of Internal Revenue; True D. Morse as Under Secretary of Agriculture; Norman P. Mason as Housing and Home Finance Agency Administrator; Ogden R. Reid as Ambassador to Israel; and Gordon Gray as Special Assistant to the President for National Security Affairs.

Jan. 14 -- Executive Order prohibiting the holding of gold and gold securities abroad by U.S. citizens and enterprises.

Jan. 14 -- Acceptance of the resignations of Perry W. Morton as Assistant Attorney General; Edward Foss Wilson as Assistant Secretary of Health, Education and Welfare; and Karl G. Harr, Jr. as Special Assistant to the President for Security Operations Coordination.

Jan. 15 -- Acceptance of the resignation of Arthur S. Flemming as Secretary of Health, Education and Welfare.

Jan. 16 -- Acceptance of the resignations of Robert B. Anderson as Secretary of the Treasury; Samuel C. Waugh as President of the Export-Import Bank of Washington; and Philip Young as Ambassador to the Netherlands.

Jan. 17 -- Citation honoring Major General Melvin J. Maas, chairman of the President's Committee on Employment of the Physically Handicapped.

Jan. 17 -- Remarks by the President and Canada Prime Minister John G. Diefenbaker at the signing of the Columbia River Basin Treaty.

Jan. 17 -- Submission of the Columbia River Basin Treaty to the Senate.





# The Week In Congress

## Patronage Possibilities

The federal patronage pie -- consisting of jobs in the Federal Government exempt from Civil Service or other career-merit systems -- includes about 6,000 posts. But the number of jobs which President Kennedy or his subordinates can fill is considerably less, since many persons who currently hold these positions have special "status" preventing arbitrary removal. CQ analyzes the patronage situation, breaks down the number of patronage jobs available in each agency and lists all top policy-making and administrative posts and the salaries which they carry. (Page 80)

## Eisenhower Budget

President Eisenhower, in his eighth and final budget, called for \$80.9 billion in expenditures and \$82.3 billion in receipts in fiscal 1962. For fiscal 1961, he estimated a \$79 million surplus. As in prior years, the budget reflected an optimistic view of the economy. Proposals for extensive revisions were expected to be submitted, however, by President John F. Kennedy; the new Administration's view of the economy suggested there might be no surpluses in either fiscal 1961 or 1962. (Page 61)

## Task Force Reports

Task force reports came in increasing numbers as the new Administration got ready for business. They recommended: enactment of the controversial Social Security medical care program for the aged, thorough reassessment of space programs, a multi-billion dollar federal housing program, increased federal participation in natural resources programs and more international exchange programs. Mr. Kennedy's proposal for a "peace corps" to serve in underdeveloped countries brought a recommendation that it begin on a "limited pilot basis." (Page 71)

## Civil Rights

As President Kennedy assumed office, civil rights groups in Washington were putting the finishing touches on their proposals for new moves in this field. Although the outlook for 1961 is that civil rights action will emanate from the White House, Mr. Kennedy has first to solve the touchy problem of how far he can go without inviting retaliation against other parts of his program in Congress. CQ's Fact Sheet lists and discusses the suggestions for action against discrimination in housing, education, employment and voting. (Page 67)

### Familiar Proposals

Most of President Eisenhower's final legislative proposals were familiar, having been submitted to Congress on one or more previous occasions, only to be rejected or ignored. The great bulk of these reflected his eight-year devotion to "sound money," a balanced budget, and a limited federal role in economic and social affairs. Most of his proposals, including the suggestion that the President be assisted by a First Secretary ranking above other Cabinet members, appeared to be doomed to continuing inaction. (Page 65)

## Around the Capitol

In addition to his final budget and economic messages to Congress, President Eisenhower in his last days in office asked for extension of the Sugar Act, gave a press conference, broadcast a farewell address to the Nation.... The Labor Department reported that unemployment in December was the highest for that month since 1940.... A lively controversy has been touched off by Mr. Eisenhower's order for the Army-operated Panama Steamship Line to curtail its operations. (Pages 70, 96)

## In the Committees

The Senate completed its Republican standing committee assignments, with the only party ratio shifts in one GOP seat lost in Appropriations and one gained in Labor and Public Welfare.... CQ carries a full roster of Senate committee assignments, showing changes and freshmen members...the Senate's Permanent Investigations Subcommittee held hearings on alleged conflict of interest in the Military Sea Transportation Service...the House's Legislative Oversight Subcommittee issued its final report on regulatory agencies. (Page 75)

